

RESOLUTION NO. 150519

A RESOLUTION OF THE CITY OF GAINESVILLE, FLORIDA AUTHORIZING THE REPLACEMENT OF AN EXISTING CREDIT AGREEMENT WITH RESPECT TO ITS UTILITIES SYSTEM COMMERCIAL PAPER NOTES, SERIES C; APPROVING THE FORM OF A CREDIT AGREEMENT WITH BANK OF AMERICA, N.A., AND DELEGATING TO AUTHORIZED OFFICERS THE AUTHORITY TO NEGOTIATE AND FINALIZE THE TERMS THEREOF; AUTHORIZING THE PAYMENT OF COSTS OF ISSUANCE RELATED TO THE TRANSACTIONS DESCRIBED HEREIN; AUTHORIZING PROPER OFFICIALS TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF THE REPLACEMENT CREDIT FACILITY; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Gainesville, Florida ("City") adopted on June 6, 1983 its Utilities System Revenue Bond Resolution (the "Senior Bond Resolution"), as amended, supplemented and restated and authorized thereunder Subordinated Commercial Paper Notes;

WHEREAS, the City on January 26, 1989 adopted its Subordinated Utilities System Revenue Bond Resolution supplementing the Senior Bond Resolution (the "Subordinated Utilities System Revenue Bond Resolution") authorizing the issuance of Subordinated Indebtedness junior and subordinated in all respects to the security interest in and pledge and assignment of the Trust Estate created by the Senior Bond Resolution as security for the Bonds;

WHEREAS, the City heretofore adopted on October 5, 1992, its Second Supplemental Subordinated Utilities System Revenue Bond Resolution, as amended (the "Second Supplemental Resolution"), supplementing the Subordinated Utilities System Revenue Bond Resolution authorizing the issuance of its Utilities System Commercial Paper Notes, Series C (the "Notes") and Utilities System Subordinated Bank Bond, Series A (the "Bank Bond"); and

WHEREAS, the Notes were secured by a Credit Agreement dated March 1, 2000 (the "Prior Liquidity Facility") issued by Bayerische Landesbank Girozentrale (the "Prior Liquidity Provider"); and

WHEREAS, the Prior Liquidity Facility expires November 30, 2015 and the Prior Liquidity Provider elected not to extend or renew the terms thereof; and

WHEREAS, the City, through its Financial Advisor, solicited proposals for an alternate Credit Facility; and

WHEREAS, Bank of America, N.A. (the "Replacement Liquidity Provider") was deemed to have provided the best and most responsive bid; and

WHEREAS, the City desires to approve a Credit Agreement and Fee Letter, in substantially the forms attached as Exhibit A hereto, with such changes as may be approved by the General Manager for Utilities, his/her designee, the Chief Financial Officer, his/her designee, or such other Authorized Officer of the City in accordance with the authorizations set forth herein (the "Replacement Credit Facility") and to authorize the Authorized Officers, as hereafter defined, to take such other actions, provide such notices, and execute such other documents as may be required under the Resolutions, as hereinafter defined or otherwise to effect the replacement of the Prior Liquidity Facility with the Replacement Credit Facility.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF GAINESVILLE, FLORIDA THAT:

**ARTICLE I
DEFINITIONS**

Section 1.01 Authority; Definitions. All capitalized terms not otherwise defined herein shall have such meaning as given in the Senior Bond Resolution, the Subordinated Utilities System Revenue Bond Resolution on the Second Supplemental Resolution (collectively, the "Resolutions"). This Resolution is adopted pursuant to the provisions of Chapter 166, Florida Statutes, the City's Charter, the Resolutions and other applicable provisions of law (the "Act").

**ARTICLE II
CERTAIN FINDINGS AND DETERMINATIONS;
ADDITIONAL AUTHORIZATIONS**

Section 2.01 Certain Findings and Determinations. The City hereby finds and determines that:

(a) The factual recitals set forth in the WHEREAS clauses of this Resolution are hereby incorporated in this section as findings as if expressly set forth herein.

(b) The offer submitted by the Replacement Credit Provider was the most responsive bid received for the substitution of the Prior Liquidity Facility and it is in the best interest of the City to negotiate and enter into the Replacement Credit Facility with the Replacement Credit Provider.

**ARTICLE III
APPROVAL OF CREDIT FACILITY, REOFFERING CIRCULAR AND NOTICES**

Section 3.01 Replacement Credit Facility. The Replacement Credit Facility with the Replacement Credit Provider, in substantially the form attached as Exhibit A hereto, with such changes, alterations and corrections, and the completion of blanks therein, as may be approved by the General Manager for Utilities, his/her designee, the Chief Financial Officer, or his/her designee and such other Authorized Officer of the City, or their respective designee (each an "Authorized Officer" and collectively, the "Authorized Officers"), such approval to be presumed by the execution thereof by such Authorized Officer, is hereby approved by the City and in conjunction with the execution thereof by the Replacement Credit Provider, the City authorizes and directs the Authorized Officer to execute the Replacement Credit Facility and to deliver the

same to the Replacement Credit Provider. The Clerk of the City Commission or any Deputy Clerk is, to the extent necessary, is hereby authorized to attest the Replacement Credit Facility.

Section 3.02 Authorization to Extend the Term of a Particular Liquidity Facility or to Procure a Substitute Liquidity Facility in Substitution Therefor. The General Manager for Utilities, or his/her designee, is hereby authorized, from time to time, (1) to extend the term of a particular Credit Agreement for the Series C Commercial Paper Notes or (2) to procure a substitute Credit Agreement for the Series C Commercial Paper Notes in substitution for the Credit Agreement then in effect with respect thereto, in either such case, upon such terms and conditions as shall be determined by the General Manager for Utilities, or such designee, to be advantageous to the City and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the “commitment fee” and other fees payable by the City thereunder and the specification of the interest rates payable on loans or advances thereunder) may differ from the terms and conditions then in effect pursuant to such Credit Agreement then in effect), such determination to be confirmed in writing by the firm serving at that time as the System’s financial advisor to the extent provided below.

In connection with any such extension of the term of a particular Credit Agreement, the General Manager for Utilities, or his/her designee, is hereby further authorized to execute and deliver, on behalf of the City, such documents and instruments (including, without limitation, an amendment to such Credit Agreement) as shall be determined by the General Manager for Utilities, or such designee, to be (a) necessary or desirable and advantageous to the City and (b) in commercially reasonable form; provided, however, that if any such extension shall be on terms and conditions different from the terms and conditions of such Credit Agreement as then in effect, then (a) such determination of the General Manager for Utilities, or such designee, shall be confirmed in writing by the firm serving at that time as the System’s financial advisor and (b) the form of each such document or instrument shall be approved by the City Attorney or his/her designee as to form and legality prior to the execution thereof by the General Manager for Utilities, or such designee.

In connection with any such procurement of a Credit Agreement for the Series C Commercial Paper Notes in substitution for the Credit Agreement then in effect with respect thereto, the General Manager for Utilities, or his/her designee, is hereby further authorized to execute and deliver, on behalf of the City, such documents and instruments (including, without limitation, a credit agreement or other similar document) as shall be determined by the General Manager for Utilities, or such designee, to be (a) necessary or desirable and advantageous to the City and (b) in commercially reasonable form, such determination to be confirmed in writing by the firm serving at that time as the System’s financial advisor; provided, however, that the form of each such document or instrument shall be approved by the City Attorney or his/her designee as to form and legality prior to the execution thereof by the General Manager for Utilities, or such designee; and provided, further, that the procedures utilized in connection with any such procurement shall be consistent with any requirements of any law, rule, regulation, ordinance or resolution applicable thereto.

Section 3.03 Offering Memorandum. The Authorized Officers are hereby authorized to approve and execute, on behalf of the City, the Offering Memorandum relating to the Series C Commercial Paper Notes in a form substantially as attached hereto as Exhibit B, and all future

supplements and amendments thereto (collectively, the "Offering Memorandum"), with such changes, insertions, omissions and filling of blanks as the officer(s) signing the same may approve, such execution to be conclusive evidence of such approval. The distribution of the Offering Memorandum in connection with the marketing of Series C Commercial Paper Notes paper notes is hereby approved.

Section 3.04 Notices. The Authorized Officers are hereby authorized and directed to deliver such notices to the Issuing Agent (as defined in the Replacement Credit Facility), the Dealer (as defined in the Replacement Credit Facility) and the Prior Liquidity Provider, all as may be required under the terms of the Second Supplemental Resolution and the Prior Credit Facility as may be necessary to effectuate the substitution of the Replacement Credit Facility for the Prior Liquidity Facility prior to the expiration thereof and all such prior actions, taken in conformance with the provisions hereof, are hereby ratified.

ARTICLE IV MISCELLANEOUS

Section 4.01 Further Authority. The Authorized Officers are each hereby authorized to do all acts and things required of them by this Resolution, the Resolutions, or otherwise, as may be necessary or desirable to effectuate the Replacement Credit Facility in accordance with the terms of the Second Supplemental Resolution. The Authorized Officers, or their respective designees, are each hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder, including, to the extent necessary including, without limitation, amendments to the Amended and Restated Issuing and Paying Agent Agreement dated as of February 1, 1995 between U.S. Bank National Association, as successor Issuing and Paying Agent and the Dealer Agreement dated as of October 1, 1992 between Goldman, Sachs & Co. and the City.

Section 4.02 Payment of Costs of Substitution. The Authorized Officers are hereby authorized to pay the costs of the Replacement Credit Facility, including those referenced in the Fee Letter, all other legal expenses, expenses for fiscal agents, financial advisors, accountants and other experts, printing expenses and such other expenses necessary or incidental and incurred by the City in connection with the Replacement Credit Facility.

Section 4.03 Severability. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution and the Resolutions or of the Notes issued thereunder.

Section 4.04 No Third-Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and holders of the Notes issued under and secured by the Resolutions, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution

and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners and holders from time to time of the Notes.

Section 4.05 Controlling Law; Members of Issuer Not Liable. All covenants, stipulations, obligations and agreements of the City contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized by the Act and provided by the Constitution and laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the City in their individual capacity, and neither the members of the City nor any official executing the Replacement Credit Facility shall be liable personally on the Replacement Credit Facility, the Notes or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the City or such members thereof.

Section 4.06 Effective Date. This Resolution shall be fully effective immediately upon adoption.

PASSED AND ADOPTED IN PUBLIC SESSION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA, THIS 19TH DAY OF NOVEMBER, 2015.

CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA

ATTESTED:

By: _____
Mayor

By: _____
Clerk of the Commission

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney

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EXHIBIT A TO RESOLUTION
FORM OF CREDIT AGREEMENT AND FEE LETTER

CREDIT AGREEMENT

between

CITY OF GAINESVILLE, FLORIDA

and

BANK OF AMERICA, N.A.

Dated November 30, 2015

TABLE OF CONTENTS

| | Page # |
|--|--------|
| ARTICLE I DEFINITIONS | 1 |
| SECTION 1.01 Definitions..... | 1 |
| SECTION 1.02 Accounting Terms and Determinations | 7 |
| SECTION 1.03 Interpretation..... | 7 |
| ARTICLE II COMMERCIAL PAPER OPERATIONS | 8 |
| SECTION 2.01 Issuance of Commercial Paper Notes | 8 |
| ARTICLE III THE CREDITS | 9 |
| SECTION 3.01 Commitment to Lend | 9 |
| SECTION 3.02 Method of Borrowing | 11 |
| SECTION 3.03 Bank Bond | 12 |
| SECTION 3.04 Maturity of Loans | 12 |
| SECTION 3.05 Interest Rates..... | 12 |
| SECTION 3.06 Fees | 13 |
| SECTION 3.07 Optional Termination or Reduction of Commitment..... | 13 |
| SECTION 3.08 Mandatory Termination of Commitment..... | 14 |
| SECTION 3.09 Optional Prepayments..... | 14 |
| SECTION 3.10 General Provisions as to Payments..... | 14 |
| SECTION 3.11 Computation of Interest and Fees | 15 |
| ARTICLE IV CONDITIONS | 15 |
| SECTION 4.01 Effectiveness | 15 |
| SECTION 4.02 Revolving Credit Borrowings..... | 17 |
| SECTION 4.03 Term Borrowing..... | 17 |
| ARTICLE V REPRESENTATIONS AND WARRANTIES | 17 |
| SECTION 5.01 Financial Condition..... | 18 |
| SECTION 5.02 No Change | 18 |
| SECTION 5.03 Organization; Compliance with Law | 18 |
| SECTION 5.04 Power; Authorization; Enforceable Obligations..... | 18 |
| SECTION 5.05 No Legal Bar..... | 19 |
| SECTION 5.06 No Material Litigation | 19 |
| SECTION 5.07 No Default..... | 19 |
| SECTION 5.08 Security, Etc..... | 19 |
| SECTION 5.09 Federal Reserve Regulations..... | 19 |
| SECTION 5.10 ERISA Matters..... | 19 |
| SECTION 5.11 Sovereign Immunity..... | 19 |
| SECTION 5.12 Full Disclosure | 20 |
| SECTION 5.13 Incorporation by Reference..... | 20 |
| SECTION 5.14 No Proposed Legal Changes..... | 20 |
| SECTION 5.15 Environmental Laws | 20 |
| SECTION 5.16 Rate Increases | 20 |

| | |
|---|--|
| ARTICLE VI COVENANTS | 20 |
| SECTION 6.01 Resolutions..... | 20 |
| SECTION 6.02 Financial and Other Information..... | 21 |
| SECTION 6.03 Inspection of Property; Discussions..... | 21 |
| SECTION 6.04 Notices | 21 |
| SECTION 6.05 Resolutions, Etc. | 22 |
| SECTION 6.06 Payment of Bank Bond..... | 23 |
| SECTION 6.07 Further Assurance | 23 |
| SECTION 6.08 Power to Fix and Collect Rates, Fees and Charges | 23 |
| SECTION 6.09 Replacement of this Agreement..... | 23 |
| SECTION 6.10 Sovereign Immunity..... | 23 |
| SECTION 6.11 Incorporation by Reference..... | 23 |
| SECTION 6.12 Rating of Bank Bond | 25 |
| SECTION 6.13 Compliance with Laws | 25 |
| SECTION 6.14 Dealer and Issuing Agent..... | 25 |
| SECTION 6.15 Disclosure of Bank..... | 25 |
| SECTION 6.16 Maintenance of Ratings | 25 |
| SECTION 6.17 Repudiation..... | 26 |
| ARTICLE VII TENDER EVENTS | 26 |
| SECTION 7.01 Tender Events | 26 |
| SECTION 7.02 Effect of Tender Event..... | 29 |
| ARTICLE VIII CHANGE IN CIRCUMSTANCES | 30 |
| SECTION 8.01 Increased Cost and Reduced Return | 30 |
| SECTION 8.02 Taxes..... | 31 |
| ARTICLE IX MISCELLANEOUS | 32 |
| SECTION 9.01 Notices | 32 |
| SECTION 9.02 No Waivers | 34 |
| SECTION 9.03 Expenses; Documentary Taxes; Indemnification | 34 |
| SECTION 9.04 Amendments and Waivers | 35 |
| SECTION 9.05 Assignments, Participations, Etc..... | 35 |
| SECTION 9.06 Governing Law | 37 |
| SECTION 9.07 Counterparts; Integration | 37 |
| SECTION 9.08 Waiver of Jury Trial..... | 37 |
| SECTION 9.09 Jurisdiction; Venue | 37 |
| SECTION 9.10 Patriot Act Notice | 37 |
| SECTION 9.11 Arm's Length Transaction..... | 37 |
| Exhibit A | Form of Notice of Revolving Credit Borrowing |
| Exhibit B | Form of Notice of Term Borrowing |
| Exhibit C | Form of No-Issuance Instructions |
| Exhibit D-1 | Form of Opinion of the Office of the City Attorney of the City |
| Exhibit D-2 | Form of Opinion of Bond Counsel for the City |
| Exhibit E | Form of Opinion of Counsel to the Bank |

CREDIT AGREEMENT

This CREDIT AGREEMENT is dated November 30, 2015, and is between the CITY OF GAINESVILLE, FLORIDA (the "City") and BANK OF AMERICA, N.A. (the "Bank").

WHEREAS, the City is a municipal corporation duly organized and existing under the laws of the State of Florida;

WHEREAS, the City is authorized pursuant to the laws of the State of Florida to own, manage and operate the System (as defined in the Bond Resolution (as defined below));

WHEREAS, pursuant to the Amended and Restated Subordinated Utilities System Revenue Bond Resolution adopted by the City on December 8, 2003, as amended and supplemented, and as particularly supplemented by the Second Supplemental Subordinated Utilities System Revenue Bond Resolution adopted by the City on October 5, 1992, as amended, authorized the issuance of the City's Subordinated Utilities System Revenue Bonds, the City has authorized the issuance from time to time of up to \$85,000,000 aggregate outstanding principal amount of Utilities System Commercial Paper Notes, Series C (the "Commercial Paper Notes"); and

WHEREAS, the Bank has agreed to make loans to the City, solely on the terms and conditions set forth herein, to enable the City to pay the Commercial Paper Notes upon maturity;

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.01 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 Subordinated Bond Resolution (as defined below).

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

"Affiliate" means 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" means this Credit Agreement, dated November 30, 2015, between the City and the Bank, as the same may be amended or modified from time to time.

"Authorized Officer of the City" shall have the meaning ascribed thereto in the Bond Resolution.

"Bank Bond" means the Utilities System Subordinated Bank Bond, Series A of the City to be delivered to the Bank pursuant to Section 4.01(c) hereof , evidencing the obligation of the City to repay the Loans.

"Bank Rate" means, for each day of determination with respect to each (A) Revolving Credit Loan, (i) for the period from and including the initial date of such Loan to and including the 90th calendar day following such initial date of such Loan, the Base Rate and (ii) the period from and including the 91st calendar day following the initial date of such Loan and thereafter until such Loan is due and payable, the Base Rate plus 1% and (B) Term Loan, the Base Rate plus 1%. Notwithstanding the foregoing, from and after the earlier of (i) the date amounts are owed hereunder, but only so long as not paid when due, and (ii) during the occurrence and continuance of a Tender Event, all amounts owed hereunder (including with respect to the Loans) shall bear interest at the Default Rate. At no time shall the Bank Rate with respect to any Loan be less than the interest rate borne by any outstanding Commercial Paper Notes.

"Base Rate" means, for any day, a rate per annum equal to the highest of (a) Prime Rate plus 1.00%, (b) Federal Funds Rate plus 2%, and (c) 7%. Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or Federal Funds Rate, as the case may be.

"Bond Resolution" means the Amended and Restated Utilities System Revenue Bond Resolution adopted by the City on January 30, 2003, as amended.

"Bonds" shall have the meaning ascribed thereto in the Bond Resolution.

"Business Day" means any day, other than a Saturday or Sunday, on which the office of the City, the office of the Trustee and the office of the Bank specified in or pursuant to Section 9.01 hereof are open for business during their respective normal business hours.

"Commitment" means the amount of \$85,000,000, as such amount may be reduced from time to time pursuant to Sections 3.07 and 3.08.

"Contractual Obligation" means, 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.

"Dealer" means Goldman, Sachs & Co., in its capacity as dealer for the Commercial Paper Notes under the Dealer Agreement, and its successors in such capacity.

"Dealer Agreement" means the Dealer Agreement Relating to Utilities System Commercial Paper Notes, Series C, dated as of October 1, 1992, between the City and the Dealer, as amended and supplemented from time to time in accordance with the terms thereof and hereof.

"Default Rate" means a per annum rate of interest equal to the Base Rate then in effect plus 4%.

"EMMA" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System or any successor thereto.

"Dodd-Frank Act" means 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" means the date this Agreement becomes effective in accordance with Section 4.01.

"Environmental Laws" means 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" means 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 Laws, (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" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"Event of Default" is defined in the Subordinated Bond Resolution.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one hundredth of one percent) charged to the Bank on such day on such transactions as determined by the Bank. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the City absent manifest error.

"Fee Letter" has the meaning set forth in Section 3.06.

"Financing Documents" means the Bond Resolution, the Subordinated Bond Resolution, the Issuing and Paying Agency Agreement, the Dealer Agreement, the Fee Letter, the Bank Bond and the Commercial Paper Notes.

"Fitch" means Fitch, Inc. d/b/a Fitch Ratings and its successors and assigns, and if such corporation (i) shall be dissolved or liquidated or (ii) shall no longer perform the functions of a securities rating agency, "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 approved by the City if such an organization shall exist.

"GAAP" has the meaning set forth in Section 1.02.

"Governmental Authority" means 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" means 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 Tender Event" has the meaning set forth in Section 7.01.

"Indebtedness" means, 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 and (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.

"Issuing Agent" means U.S. Bank National Association, as successor Subordinated Bond Paying Agent and Subordinated Bond Registrar for the Commercial Paper Notes under the Subordinated Bond Resolution and the Issuing and Paying Agency Agreement, and its successors in such capacity.

"Issuing and Paying Agency Agreement" means the Amended and Restated Issuing and Paying Agency Agreement dated as of February 1, 1995, as amended by the First Amendment to Amended and Restated Issuing and Paying Agency Agreement dated as of January 1, 1999 each between the City and the Issuing Agent, as amended and supplemented from time to time in accordance with the terms thereof and hereof.

"Lending Office" means the office of the Bank to which notices of borrowings of Loans hereunder shall be given and to which payments of amounts due hereunder and under the Bank Bond shall be made, which office (and any changes thereto) shall be communicated promptly by the Bank to the City at its address specified in or pursuant to Section 9.01.

"Lien" means, 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.

"Loan" means either a Revolving Credit Loan or the Term Loan, as the case may be.

"Maturity Date" means the earlier of (i) the Quarterly Payment Date immediately preceding the date that is the fifth (5th) anniversary of the earlier of (a) the date of the funding of the Term Loan or (b) the Termination Date, or (ii) the date on which a Tender Event shall have occurred and the Bank Bond shall be immediately due and payable pursuant to Section 7.02 hereof.

"Moody's" means Moody's Investors Service and its successors and assigns, and if such corporation (i) shall be dissolved or liquidated or (ii) shall no longer perform the functions of a securities rating agency, "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 approved by the City if such an organization shall exist.

"No-Issuance Instructions" has the meaning set forth in Section 2.01(b).

"Notice of Revolving Credit Borrowing" has the meaning set forth in Section 3.02(a).

"Notice of Term Borrowing" has the meaning set forth in Section 3.02(b).

"Offering Memorandum" means the Offering Memorandum, dated [_____, 2015], relating to the Commercial Paper Notes.

"Participant" has the meaning set forth in Section 9.05(b).

"Patriot Act" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"Person" means an individual, a corporation, a partnership, an association, a trust, a Governmental Authority or any other entity or organization of whatever nature, including a government or political subdivision or an agency or instrumentality thereof.

"Potential Tender Event" means (i) any condition or event which constitutes a Tender Event or (ii) which with the giving of notice or lapse of time or both would, unless cured or waived, become a Tender Event.

"Prime Rate" means, for any day, the fluctuating interest rate per annum most recently announced by the Bank as its "prime rate", it being understood that such rate shall not necessarily be the best or lowest rate of interest available to the Bank's best or most preferred

large commercial customers. Each change in the Prime Rate shall take effect simultaneously with the corresponding change or changes in the Bank's prime rate.

"Prior Bank" means Bayerische Landesbank Girozentrale, acting through its New York Branch.

"Prior Bank Bonds" means Bank Bonds as defined in Credit Agreement dated March 1, 2000, between the City and the Prior Bank.

"Quarterly Payment Date" means the first Business Day of each January, April, July and October.

"Rating Agency" means Fitch, Moody's and S&P.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Requirement of Law" means as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, 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" means the Bond Resolution, the Subordinated Bond Resolution and the Second Supplemental Subordinated Bond Resolution.

"Revolving Credit Loan" means a Loan made during the Revolving Credit Period for the purpose of paying maturing Commercial Paper Notes.

"Revolving Credit Period" means the period from and including the Effective Date to and including the earliest of (a) the Termination Date, (b) the date on which the Commitment and the Bank's obligation to make Loans hereunder shall be terminated pursuant to Section 7.01 hereof and (c) the date of the making of a Term Loan.

"S&P" means Standard & Poor's Ratings Services, a Standard and Poor's Financial Services LLC business, and its successors and assigns, and if such business (i) shall be dissolved or liquidated or (ii) shall no longer perform the functions of a securities rating agency, "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 approved by the City if such an organization shall exist.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

"Second Supplemental Subordinated Bond Resolution" means the Second Supplemental Subordinated Utilities System Revenue Bond Resolution adopted by the City on October 5, 1992 authorizing the issuance of the Commercial Paper Notes and the Bank Bond, as

amended and supplemented from time to time in accordance with the terms thereof and hereof, supplementing the Subordinated Bond Resolution.

"Subordinated Bond Resolution" means the Amended and Restated Subordinated Utilities System Revenue Bond Resolution adopted by the City on December 8, 2003 authorizing the issuance of the City's Subordinated Utilities System Revenue Bonds, as amended and as it may be further supplemented and amended from time to time in accordance with the terms thereof and hereof.

"Subordinated Indebtedness" is defined in the Subordinated Bond Resolution.

"Subordinated Indebtedness Fund" means the fund by that name established pursuant to the Bond Resolution.

"Suspension Event" has the meaning set forth in Section 7.01.

"Tender Event" has the meaning set forth in Section 7.01.

"Term Loan" means a Loan made on or prior to the Termination Date for the purpose of refunding one or more Revolving Credit Loans.

"Termination Date" means the earlier of (i) November 30, 2018, or such later date to which the Revolving Credit Period shall have been extended pursuant to Section 3.01(c), or if any such date is not a Business Day, the next preceding Business Day, or (ii) the date on which all of the following shall have occurred: (A) a Tender Event shall have occurred and be continuing (and shall not have otherwise been waived by the Bank), (B) the Commitment of the Bank shall have terminated in accordance with Section 3.08(b), and (C) the Bank Bond shall be immediately due and payable pursuant to Section 7.02 hereof.

"Trustee" has the meaning ascribed thereto in the Bond Resolution.

SECTION 1.02 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").

SECTION 1.03 Interpretation. All words used herein shall be construed to be of such gender or number as the circumstances require. Reference to any document means such document as amended or supplemented from time to time as permitted pursuant to its terms and (if applicable) the terms hereof. Reference herein to any Article or Section shall be deemed to be a reference to the corresponding Article or Section of this Agreement unless otherwise specified.

ARTICLE II
COMMERCIAL PAPER OPERATIONS

SECTION 2.01 Issuance of Commercial Paper Notes.

(a) The City has (i) pursuant to the Subordinated Bond Resolution and the Issuing and Paying Agency Agreement, authorized and directed the Issuing Agent to act as its agent in the issuance, authentication, delivery and payment of Commercial Paper Notes and in effecting Loans hereunder and (ii) pursuant to the Subordinated Bond Resolution, provided security for the payment of principal of the Commercial Paper Notes and all payments, including principal of and interest on, the Bank Bond.

(b) Subject to the provisions of this Section 2.01 and of Article IV, unless each of the City and the Issuing Agent are in receipt of instructions ("No-Issuance Instructions") then in effect from the Bank given in accordance with this Section not to issue, authenticate or deliver Commercial Paper Notes because (i) a Potential Tender Event has occurred and is continuing or (ii) a representation or warranty of the City contained in this Agreement and deemed by the Bank to be material is not true and correct on and as of the date of such No-Issuance Instructions (unless such representation was made of a particular date), the City shall have the right from time to time to issue and sell Commercial Paper Notes pursuant to the Subordinated Bond Resolution and the Issuing and Paying Agency Agreement up to the maximum amount permitted to be outstanding at any time by subsection (c) of this Section. Any No-Issuance Instructions given by the Bank to the City and to the Issuing Agent in accordance with this Section 2.01(b) shall be in the form attached hereto as Exhibit C and shall specify one or more of the events or conditions described in clauses (i) and (ii) above as being the reason or reasons to cease issuing, authenticating and delivering Commercial Paper Notes. If the Bank shall, as permitted by this Section and as contemplated by the Second Supplemental Subordinated Bond Resolution and the Issuing and Paying Agency Agreement, deliver No-Issuance Instructions to the City and the Issuing Agent, the City shall not, and shall cause the Issuing Agent not to, issue, authenticate or deliver any Commercial Paper Notes after the time such No-Issuance Instructions are first received by the Issuing Agent and the City until such time as all previously delivered No-Issuance Instructions have been revoked, except to the extent that such issuance, authentication and delivery is made pursuant to a written agreement among the City, the Issuing Agent and the Dealer to which the Bank has previously consented in writing with respect to agreements for the sale of Commercial Paper Notes concluded by the Dealer prior to the time the Dealer first received notice from the Bank, the Issuing Agent or the City of the giving by the Bank to the City and the Issuing Agent of No-Issuance Instructions pursuant to this subsection. For purposes of this subsection, an agreement for the sale of Commercial Paper Notes shall be deemed concluded when it has become a final agreement in accordance with the customary practice of commercial paper dealers or placement agents in New York City. The City shall not, under any circumstances, so long as any No-Issuance Instructions given hereunder remain in effect, request the Dealer to purchase or sell any Commercial Paper Notes. Concurrently with the giving of any No-Issuance Instructions to the City and the Issuing Agent, the Bank shall endeavor to give notice thereof to the Dealer and to Moody's and S&P (in each case to the extent such Rating Agency then provides an investment rating with respect to the Commercial Paper Notes), but the failure of the Bank to do so shall not impair the effectiveness of any such No-Issuance Instructions nor otherwise affect the rights or obligations of the Bank

hereunder. Any No-Issuance Instructions given pursuant to this subsection to the City and the Issuing Agent may be revoked by the Bank in writing at any time.

(c) The City agrees that each Commercial Paper Note shall (i) be substantially in the form set forth in Article VII of the Second Supplemental Subordinated Bond Resolution and completed in accordance with this Agreement, the Issuing and Paying Agency Agreement and the Subordinated Bond Resolution, (ii) be dated the date of issuance thereof, (iii) be made payable to the order of bearer, (iv) have a stated maturity date (which shall be a day that is scheduled to be a Business Day as of the date of issuance), which shall not be later than the earlier to occur of (A) the 270th day after the date of its issuance and (B) the second Business Day preceding the Termination Date, and (v) be in a principal amount of \$100,000 or any larger integral multiple of \$1,000, which principal amount, when added to the aggregate principal amount of all other Commercial Paper Notes outstanding (after taking into account any Commercial Paper Notes paid or to be paid on such date) or to be issued on such date, will not exceed the aggregate unused amount of the Commitment in effect on such date. Upon the request of the Issuing Agent, the Bank agrees promptly to confirm to the Issuing Agent the aggregate unused amount of the Commitment in effect on the date of such request (which amount shall be determined without regard to any payment of Loans expected to be made on such date with respect to which the Bank has received notice but not the proceeds of such payment). As contemplated by Section 3 of the Issuing and Paying Agency Agreement, all Commercial Paper Notes shall be issued, authenticated and delivered against payment therefor and otherwise in accordance with the terms of this Agreement, the Issuing and Paying Agency Agreement and the Subordinated Bond Resolution.

(d) In the event that the Commercial Paper Notes shall be issued in book-entry form as provided in paragraph 1 of Section 208 of the Second Supplemental Subordinated Bond Resolution, (i) any reference in this Agreement to a "Commercial Paper Note" or the "Commercial Paper Notes", as the case may be, shall be deemed to refer to any or all of the separate obligations of the City evidenced by a "Municipal Commercial Paper – TECP Master Note" referred to in said paragraph 1 of Section 208 of the Second Supplemental Subordinated Bond Resolution, or such other evidence of the City's obligations with respect to the Commercial Paper Notes as may be provided for in the Letter of Representations, as defined in the Second Supplemental Subordinated Bond Resolution (a "Master Note"), (ii) any reference in this Agreement to the issuance, authentication or delivery of a Commercial Paper Note shall be deemed to refer to the incurrence of an additional separate obligation of the City evidenced by a Master Note and (iii) any reference in this Agreement to the payment of a Commercial Paper Note shall be deemed to refer to the payment of a particular separate obligation of the City evidenced by a Master Note.

ARTICLE III THE CREDITS

SECTION 3.01 Commitment to Lend.

(a) Revolving Credit Loans. During the Revolving Credit Period, the Bank agrees, on the terms and conditions set forth in this Agreement, to make Revolving Credit Loans to the City pursuant to this Section from time to time in amounts such that the aggregate principal amount of Loans by the Bank at any one time outstanding shall not exceed the amount

of the Commitment. Each Loan under this subsection (a) shall be in such aggregate principal amount as shall be needed to pay the principal amount of the Commercial Paper Notes maturing on the date of such Loan. The Bank shall fund each Loan solely with the funds of the Bank. Within the foregoing limits, the City may borrow under this subsection (a), repay or, to the extent permitted by Section 3.09, prepay Revolving Credit Loans and re-borrow at any time during the Revolving Credit Period under this subsection (a). The Bank also agrees to fund a Revolving Credit Loan on the date hereof for the principal amount outstanding under the Prior Bank Bonds upon notice given by the City to the Bank by 1:30 P.M. on the date hereof and which shall be funded by the Bank in accordance with directions furnished by the City to the Bank, by 3:00 P.M. on such date.

(b) Term Loan. If requested by the City on or prior to the Termination Date, the Bank agrees, on the terms and conditions set forth in this Agreement, to make a Term Loan to the City for the purpose of refunding all or a portion of the Bank's then outstanding Loans; *provided* that the principal amount of such Term Loan shall at no time exceed the Commitment. Notwithstanding anything to the contrary contained herein, the City shall be entitled to request a Term Loan only once during the term of this Agreement, and shall not request a Term Loan unless either (a) all outstanding Commercial Paper Notes shall be paid or deemed to have been paid within the meaning of Article VI of the Second Supplemental Subordinated Bond Resolution on the date of the making of the Term Loan or (b) a letter of credit, credit agreement or other instrument or agreement replacing this Agreement and the Commitment in its entirety has been entered into between or among the City and one or more financial institutions or other Persons. The Bank's obligations to make Term Loans are subject to the satisfaction of the conditions set forth in Section 4.03 herein.

(c) Extension of Revolving Credit Period. No later than 180 days prior to Termination Date, the City may, by notice in writing to the Bank, request that the Bank extend the then current Termination Date for a period of such length as the City shall determine, in its sole discretion. If the Bank, in its sole discretion, elects to extend the Termination Date then in effect, it shall deliver to the City, the Issuing Agent and the Dealer within sixty (60) days of receiving said request a written notice of extension (herein referred to as a "Notice of Extension") designating its acceptance of such date. Following the date of delivery of such Notice of Extension by the Bank and after compliance by the City with all terms and conditions thereof, all references in this Agreement to the Termination Date shall be deemed to be references to the date designated as such in the most recent Notice of Extension delivered to the City, the Issuing Agent and the Dealer. Any date to which the Termination Date has been extended in accordance with this Section 3.01(c) may be extended in like manner. Upon any extension of the Termination Date pursuant to this Agreement, the Bank and the City each reserves the right to renegotiate any provision hereof. If the Bank fails to provide the City, the Issuing Agent and the Dealer with a Notice of Extension as provided hereinabove, the Bank shall be deemed not to have consented to the City's request and the Bank shall have no liability with respect to such failure or lack of consent.

Notwithstanding the foregoing, it is understood and agreed that the foregoing provisions are intended for the convenience of the parties only and shall in no respect prohibit the parties from agreeing to extend the Revolving Credit Period pursuant to written agreement between the City and the Bank under other circumstances or at other times. In the event the

Revolving Credit Period is extended under any other circumstances, the City shall give prompt written notice thereof to the Issuing Agent and the Dealer.

SECTION 3.02 Method of Borrowing.

(a) In the case of any Revolving Credit Loan, the Issuing Agent, on behalf of the City, shall give the Bank irrevocable written notice in the form of Exhibit A hereto appropriately completed (a "Notice of Revolving Credit Borrowing"), in accordance with Section 9.01 herein, not later than 12:00 P.M. (New York City time) on the date of such Loan, specifying:

(i) the date of such Revolving Credit Loan, which shall be the Business Day on which such Notice is given, and

(ii) the aggregate amount of such Revolving Credit Loan, which (1) shall not be less than \$100,000, and (2) shall not exceed the aggregate principal amount of the Commercial Paper Notes maturing on the date of such Loan and which have not been and will not be paid from the proceeds of sale of other Commercial Paper Notes on such date or from other funds on deposit in the Series C CP Note Payment Account on such date.

The wire information included on Exhibit A hereto may be modified upon 3 Business Days advance written notice to the Bank as provided in Section 9.01 in the same manner as a notice of Revolving Credit Loans is to be given.

(b) In the case of a Term Loan, the City shall give the Bank irrevocable written notice in the form of Exhibit B hereto appropriately completed (a "Notice of Term Borrowing"), in accordance with Section 9.01 herein, not later than 12:00 P.M. New York City time) on the second (2nd) Business Day before such Loan, specifying:

(i) the date of the Term Loan, and

(ii) the amount of the Term Loan (which shall not exceed the aggregate principal amount of the outstanding Revolving Credit Loans).

The wire information included on Exhibit A hereto may be modified upon 3 Business Days advance written notice to the Bank as provided in Section 9.01 in the same manner as a notice of a Term Loan is to be given.

(c) Not later than 1:30 P.M. (New York City time) on the date of each Loan, the Bank shall (except as provided in subsection (d) of this Section) fund such Loan by wire transfer of immediately available funds in accordance with the instructions set forth in the Notice of Revolving Credit Borrowing or Notice of Term Borrowing, as applicable, unless the Bank determines that any applicable condition specified in Article IV has not been satisfied.

(d) On or prior to the Termination Date, if the City shall request the making of a Term Loan, the principal amount of the Term Loan shall be equal to the aggregate of the principal amounts of all Revolving Credit Loans outstanding on the date of the making of the Term Loan, less any repayments thereof made or to be made by the City on the date of the

making of the Term Loan. On the date of the making of the Term Loan, the Bank need not advance any moneys with respect to such Loan, but the Revolving Credit Loans outstanding on such date shall be deemed to be repaid from the proceeds of the Term Loan.

SECTION 3.03 Bank Bond.

(a) The Loans shall be evidenced by a single Bank Bond payable to the order of the Bank. The Bank Bond shall have a stated maximum principal amount equal to the amount of the Commitment hereunder; *provided* that the principal amount outstanding with respect to the Bank Bond at any time shall equal the amount borrowed by the City hereunder, less any prior repayments of the principal thereof.

(b) The Bank Bond shall be in substantially the form set forth in Article VIII of the Second Supplemental Subordinated Bond Resolution.

(c) The Bank shall keep in accordance with its usual business practices, records of the date, amount, type and maturity of each Loan made by it and the date and amount of each payment of principal made by the City with respect thereto, which records, absent manifest error, shall be conclusive and binding upon the City. Prior to any transfer of the Bank Bond shall endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding (which notations shall, at the request of the City, be submitted by the Bank to the City for its review prior to any such transfer of the Bank Bond); *provided* that the failure of the Bank to make any such recordation or endorsement or to submit any such notations to the City shall not affect the obligations of the City hereunder or under the Bank Bond. The Bank is hereby irrevocably authorized by the City so to endorse the Bank Bond and to attach to and make a part of the Bank Bond a continuation of any such schedule as and when required.

SECTION 3.04 Maturity of Loans. Each Revolving Credit Loan shall mature, and the principal amount thereof shall be due and payable, on the earlier of (a) the Termination Date, as the same may be extended from time to time in accordance with Section 3.01(c) hereof and (b) the date of the making of the Term Loan. The Term Loan shall be repaid in ten (10) equal semi-annual principal installments, commencing on the second Quarterly Payment Date following the date of the making of the Term Loan, but in all events, any amounts outstanding under the Term Loan shall be due and payable in full on the Maturity Date.

SECTION 3.05 Interest Rates.

(a) Interest on the outstanding principal amount of a Loan shall accrue (beginning on the date the Loan is made) at the Bank Rate in effect from time to time while such Loan is outstanding. The interest rate on any such Loan shall change each time the Bank Rate shall change. Interest on any such Loan shall be payable on the first Business Day of each calendar month, commencing on the first month immediately following the date the Loan is made, on the date of any principal payment with respect to such Loan and on the first to occur of the Termination Date and the Maturity Date.

(b) The Bank shall determine each interest rate applicable to the Loans hereunder. On or before each date on which principal or interest is due on a Revolving Credit Loan or the Term Loan, the Bank shall give written notice to the City, in accordance with

Section 9.01 herein, of the amount due, and its determination thereof shall be conclusive in the absence of manifest error. Failure of the Bank to so notify the City shall not obviate the payment obligations of the City as provided above and in the Bank Bond.

(c) Except as otherwise provided in clauses (i) and (ii) below, no provision of this Agreement or the Bank Bond shall require the payment or permit the collection of interest in excess of the maximum rate permitted by applicable law.

(i) If the amount of interest payable on any interest payment date in respect of the preceding interest computation period (without giving effect to any maximum rate permitted by law) would exceed the amount of interest computed in respect of such period at the maximum rate of interest from time to time permitted (after taking into account all consideration which constitutes interest) by applicable law (such maximum rate being the "Maximum Permissible Rate"), the amount of interest payable to the Bank on such date in respect of such period shall be computed at the Maximum Permissible Rate.

(ii) If at any time and from time to time (A) the amount of interest payable to the Bank on any interest payment date shall be computed at the Maximum Permissible Rate pursuant to the preceding paragraph (i) and (B) in respect of any subsequent interest computation period the amount of interest otherwise payable to the Bank would be less than the amount of interest payable to the Bank computed at the Maximum Permissible Rate, then the amount of interest payable to the Bank in respect of such subsequent interest computation period shall continue to be computed at the Maximum Permissible Rate until the total amount of interest paid to the Bank shall equal the total amount of interest which would have been payable to the Bank if the total amount of interest had been computed without giving effect to the maximum rate permitted by law. If and to the extent permitted by applicable law, on the first to occur of the Termination Date and the Maturity Date, the City shall pay to the Bank a fee equal to the amount of accrued and unpaid interest as a result of the provisions of this Section 3.05(c).

SECTION 3.06 Fees. Reference is hereby made to that certain letter dated _____, 2015 (the "Fee Letter"), between the Bank and the City (as amended or supplemented from time to time) regarding the agreement as to certain fees payable by the City to the Bank (the "Fees"). Any reference in this Agreement or in any other document to fees and/or other amounts payable under this Agreement shall include without limitation all fees and other amounts payable pursuant to the aforementioned Fee Letter concerning Fees and any reference to this Agreement shall be deemed to include reference to said Fee Letter.

SECTION 3.07 Optional Termination or Reduction of Commitment. During the Revolving Credit Period, subject to terms of the Fee Letter, the City may, upon five (5) Business Days' prior written notice to the Bank signed by an Authorized Officer of the City, (i) terminate the Commitment and the Bank's obligation to make Loans hereunder at any time, or (ii) reduce from time to time by an amount of \$1,000,000 or any larger integral multiple thereof, the amount of the Commitment. For purposes of the preceding sentence, a Commercial Paper Note shall be deemed not to be outstanding if funds sufficient to pay the principal amount of such Commercial Paper Note at maturity have been deposited with the Issuing Agent pursuant to

the Second Supplemental Subordinated Bond Resolution. Promptly upon delivery of any such notice by the City, the City shall notify the Issuing Agent and the Dealer of the contents thereof. The City will not terminate the Commitment unless (A) no Loans or Commercial Paper Notes are outstanding at such time, or (B) a letter of credit, credit agreement or other instrument or agreement replacing this Agreement, the Bank Bond and the Commitment in its entirety has been entered into between or among the City and one or more financial institutions or other Persons and all amounts payable to the Bank hereunder and under the Bank Bond have been paid in full at such time. The City will not reduce the Commitment to an amount less than the excess of the sum of (A) the aggregate outstanding principal amount of the Loans and (B) the aggregate principal amount of all outstanding Commercial Paper Notes, provided, however, that the Bank has no responsibility for determining or insuring compliance by the City with this requirement.

SECTION 3.08 Mandatory Termination of Commitment.

(a) The Commitment and the Bank's obligation to make Loans hereunder shall terminate at 5:00 p.m. New York City time on the Termination Date, and any Revolving Credit Loans then outstanding (together with accrued interest thereon) shall be due and payable on such date, subject to any right of the City to request a Term Loan on such date in accordance herewith.

(b) If at any time a Tender Event shall have occurred and be continuing, the Bank may deliver a notice to that effect to the City, the Issuing Agent and the Dealer, and the Commitment and the Bank's obligation to make Loans hereunder shall terminate effective at 5:00 p.m. Eastern Time on the latest maturity date of the Commercial Paper Notes then outstanding and not issued or delivered in violation of Section 2.01(b) or, if a letter of credit, credit agreement or other instrument or agreement replacing this Agreement and the Commitment in its entirety has been entered into between or among the City and one or more financial institutions or other Persons, on the effective date of such letter of credit, credit agreement or other instrument or agreement replacing this Agreement and the Commitment.

SECTION 3.09 Optional Prepayments. The City may, at any time and from time to time, by written notice to the Bank by 1:00 P.M. (New York City time) on any Business Day, prepay any Loan in whole or in part by paying the principal amount to be prepaid, together with accrued interest thereon, by 3:00 P.M. (New York City time) on such Business Day.

SECTION 3.10 General Provisions as to Payments.

(a) The City shall make each payment of principal of, and interest on, the Loans and of fees hereunder not later than 3:00 P.M. (New York City time) on the date when due, in Federal or other immediately available funds, to the Bank at its address specified in or pursuant to Section 9.01; *provided* that payment of principal of, and interest on, the Loans shall also be payable from amounts on deposit in the Series C CP Note Payment Account as provided in Article IV of the Second Supplemental Subordinated Bond Resolution, and any such payments to be made from amounts on deposit in the Series C CP Note Payment Account shall be made by the Issuing Agent (on behalf of the City) not later than 3:00 P.M. (New York City time) on the date when due, in Federal or other immediately available funds, to the Bank at its address specified in or pursuant to Section 9.01. Whenever any payment of principal of, or interest on, the Loans or of fees shall be due on a day which is not a Business Day, the date for payment

thereof shall be extended to the next succeeding Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time, and when the date for payment of interest is extended, the interest paid shall include the interest accrued to the actual date of payment.

(b) If and to the extent permitted by applicable law, any principal of or interest on the Loans, under this Agreement or in connection with the Bank Bond that is not paid when due shall bear interest until paid at the Default Rate.

SECTION 3.11 Computation of Interest and Fees. Interest hereunder shall be computed on the basis of a year of 365 or 366 days, as applicable, and paid for the actual number of days elapsed (including the first day but excluding the last day). Fees pursuant to Section 3.06 shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

ARTICLE IV CONDITIONS

SECTION 4.01 Effectiveness. This Agreement shall become effective on the date on which each of the following conditions shall have been satisfied (or waived in accordance with Section 9.04), or such later date as shall have been agreed upon in writing by the City and the Bank:

(a) receipt by the City and the Bank of counterparts hereof and of the Fee Letter signed by each of the parties hereto;

(b) receipt by the Bank and its counsel of any amounts then due pursuant to the Fee Letter;

(c) receipt by the Bank of the duly executed Bank Bond dated on or before the Effective Date complying with the provisions of Section 3.03;

(d) receipt by the Bank of (i) an opinion of the Office of the City Attorney of the City, substantially in the form of Exhibit D-1 hereto and covering such additional matters relating to the transactions contemplated hereby or by the Financing Documents as the Bank may reasonably request, (ii) an opinion of Holland & Knight LLP, Bond Counsel for the City, substantially in the form of Exhibit D-2 hereto;

(e) receipt by the City of an opinion of counsel for the Bank, substantially in the form of Exhibit E hereto and covering such additional matters relating to the transactions contemplated hereby or by the Financing Documents as the City may reasonably request;

(f) a copy of the opinion of Orrick, Herrington & Sutcliffe LLP delivered on April 25, 2008 as to, among other things, the tax exempt status of interest on the Commercial Paper Notes;

(g) receipt by the Bank of copies of the Issuing and Paying Agency Agreement and the Dealer Agreement, as executed by the parties thereto;

(h) receipt by the Bank of a certified copy of each Resolution, including all supplements thereto making any amendment thereof (each as in effect on the Effective Date), and a certificate of the Clerk of the Commission of the City certifying that each Resolution is in full force and effect and that there has been no other amendment or modification to any provision of any such Resolution;

(i) receipt by the Bank of a certificate of an Authorized Officer of the City certifying that (i) each of the City's representations and warranties contained (or incorporated by reference) herein is true and correct on and as of the Effective Date, (ii) no Potential Tender Event is occurring on the date of such certificate, and (iii) except as disclosed in writing to the Bank, subsequent to the date of the City's audited financial statements relating to the System for the fiscal year ended September 30, 2014, there has not been any material adverse change in the business, assets, financial position or results of operations of the City that are payable from the Trust Estate;

(j) receipt by the Bank of a certificate of the Clerk of the Commission of the City certifying as to the authorization and signatures of the officers of the City who are authorized to execute and deliver this Agreement, the Fee Letter and the Bank Bond;

(k) receipt by the Bank of a copy of the Offering Memorandum;

(l) receipt by the Bank of written confirmation that the Commercial Paper Notes have been rated "P-1" by Moody's and "A-1" by S&P;

(m) receipt by the Bank of written evidence that the Bank Bond CUSIP number has been obtained and received from Standard & Poor's CUSIP Service Bureau;

(n) receipt by the Bank of written confirmation that the Bank Bond shall have received at least one unenhanced long-term credit rating from any of the Rating Agencies;

(o) the Bank shall have determined, in its sole discretion, that the City meets the Bank's credit requirements and that no legal change has occurred which would prevent the City from fulfilling its obligations under this Agreement, the Fee Letter, the Commercial Paper Note or any other Financing Document; and

(p) receipt by the Bank of all opinions, certificates and other documents it may reasonably request relating to the existence of the City, the authority for and the validity of this Agreement, the Bank Bond and each other

Financing Document, and any other matters relevant hereto or thereto, all in form and substance satisfactory to the Bank;

The Bank shall promptly notify the City, the Issuing Agent and the Dealer of the Effective Date, and such notice shall be conclusive and binding on both parties hereto.

SECTION 4.02 Revolving Credit Borrowings. The obligation of the Bank to make a Revolving Credit Loan is subject to the satisfaction of the following conditions:

- (a) receipt by the Bank of a Notice of Revolving Credit Borrowing as required by Section 3.02;
- (b) the fact that, immediately after such Loan, the aggregate outstanding principal amount of the Loans will not exceed the amount of the Commitment and that none of the proceeds of such Loan shall be used to pay any Commercial Paper Notes issued or delivered in violation of Section 2.01(b); and
- (c) no Immediate Tender Event or Suspension Event shall have occurred and be continuing.

Each Loan hereunder shall be deemed to be a representation and warranty by the City on the date of such Loan as to the facts specified in clauses (b) and (c) of this Section.

SECTION 4.03 Term Borrowing. The obligation of the Bank to make a Term Loan is subject to the satisfaction of the following conditions:

- (a) receipt by the Bank of a Notice of Term Borrowing as required by Section 3.02;
- (b) the fact that, immediately after such Loan, the aggregate outstanding principal amount of the Loans will not exceed the amount of the Commitment;
- (c) no Potential Tender Event shall have occurred and be continuing; and
- (d) each of the City's representations and warranties contained in Article V shall be true and correct on and as of the date of such Term Loan (except with respect to the representations and warranties contained in Section 5.01 and 5.02 hereof).

Such Term Loan shall be deemed to be a representation and warranty by the City on the date of such Loan as to the facts specified in clauses (b), (c) and (d) of this Section.

ARTICLE V REPRESENTATIONS AND WARRANTIES

The City represents and warrants that as of the date hereof:

SECTION 5.01 Financial Condition. The balance sheet of Gainesville Regional Utilities at September 30, 2014, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended, reported on by Ernst & Young LLP, 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 5.02 No Change. Except as disclosed in writing to the Bank, since September 30, 2014, there has been no material change in the business, operations, assets or financial or other condition of the System which would adversely affect the ability of the City to perform its obligations under this Agreement or the Financing Documents.

SECTION 5.03 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 this Agreement or the Financing Documents.

SECTION 5.04 Power; Authorization; Enforceable Obligations. The City has all requisite power and authority and the legal right to adopt the Resolutions, to make, deliver and perform this Agreement, the Bank Bond and the other Financing Documents and to borrow hereunder and to secure the payment of its obligations in respect of such borrowings by the pledge of the Subordinated Indebtedness Fund made in the Subordinated Bond Resolution, and has taken all necessary action to authorize the borrowings and such pledge on the terms and conditions of this Agreement, the Bank Bond and the Resolutions, and to authorize the execution, delivery and performance of this Agreement, the Commercial Paper Notes 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 Bank Bond or the other Financing Documents, except such consents, authorizations, filings or other acts as have been obtained, made or given. This Agreement, the Bank Bond and the other Financing Documents (except the Resolutions) have been duly executed and delivered on behalf of the City, and each of this Agreement and the other Financing Documents constitute a legal, valid and binding obligation of the City enforceable against the City in accordance with its 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 the constitutional power of the United States of America. The Resolutions have been duly adopted and are in full force and effect.

SECTION 5.05 No Legal Bar. The execution, delivery and performance of this Agreement, the Bank Bonds and the other Financing Documents will not violate any Requirements of Law or any Contractual Obligation of the City.

SECTION 5.06 No Material Litigation. Except as 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 Bank 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 Bank 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 5.07 No Default. The City is not in default under or with respect to this Agreement, the Bank 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 Bank 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 Potential Tender Event has occurred and is continuing.

SECTION 5.08 Security, Etc. The obligations of the City in respect of the Bank Bond will be secured ratably with the Commercial Paper Notes and with other Subordinated Bonds or Parity Subordinated Indebtedness heretofore and hereafter issued by a lien on and pledge of the Subordinated Indebtedness Fund, which lien and pledge is junior and subordinate in respect of any part thereof which is included in the Trust Estate, as such term is defined in the Bond Resolution, to the lien on and pledge of such Trust Estate created by the Bond Resolution in favor of the holders of the Bonds, but is superior to all other liens, pledges, charges, security interests and other encumbrances of whatever nature on the Subordinated Indebtedness Fund. The obligations of the City in respect of the Bank Bond will be "Subordinated Indebtedness" within the meaning of the Bond Resolution.

SECTION 5.09 Federal Reserve Regulations. No part of the proceeds of any Loan 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 5.10 ERISA Matters. The City does not maintain any employee benefit plan that is subject to Title I or Title IV of ERISA.

SECTION 5.11 Sovereign Immunity. The defense of sovereign immunity is not available to the City in any proceedings by the Bank to enforce any of the provisions of this Agreement or the Financing Documents, 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 5.12 Full Disclosure. 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 is, and all such information hereafter furnished by the City to the Bank will be, true and accurate in all material respects on the date as of which such information is stated or certified.

SECTION 5.13 Incorporation by Reference. The City is in compliance with all representations and warranties set forth herein and in the Financing Documents to which it is a party (unless made as of a previous date), which are hereby made to, and for the benefit of, the Bank and incorporated herein by this reference, as if set forth herein in full (together with the related definitions).

SECTION 5.14 No Proposed Legal Changes. Except as disclosed in writing to the Bank or as otherwise permitted by the Subordinated Bond Resolution or the Bond Resolution, 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 or any other Financing Document.

SECTION 5.15 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 5.16 Rate Increases. An increase by the City of rates, fees, rentals or other charges for 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 Commission of the City and the Florida Public Commission.

ARTICLE VI COVENANTS

The City agrees that, so long as the Bank has any Commitment hereunder or any amount payable hereunder or under the Bank Bond remains unpaid, the City:

SECTION 6.01 Resolutions. Shall perform each of its covenants set forth in the Subordinated Bond Resolution and 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). For the purposes of this Agreement, each reference to the Trustee in the Bond Resolution shall be deemed to be a

reference to the Bank and each reference therein to the Bonds shall be deemed to be a reference to the Bank Bond.

SECTION 6.02 Financial and Other Information. Shall furnish to the Bank (a) within 270 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 unqualified audit report of an independent certified public accounting firm of recognized standing stating that they have been prepared in accordance with GAAP consistently applied; and (b) promptly upon request, such financial and other information as the Bank may from time to time reasonably request.

As and to the extent the information required by this Section 6.02 has been properly and timely (that is, on or before the date specified above) 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 6.03 Inspection of Property; Discussions. 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 6.04 Notices. Shall promptly give notice to the Bank upon knowledge of an officer of the City:

(a) of the occurrence of any (i) Tender Event and (ii) any Potential Tender Event;

(b) of any (i) default or event of default under any Contractual Obligation of or relating to the System or (ii) litigation, investigation or proceeding which may exist at any time between the City and any other Person, which in either case would have a material adverse effect on the business, operations, property or financial or other condition of the System or on the ability of the City to perform its obligations under this Agreement, the Fee Letter or any other Financing Document;

(c) 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);

(d) of any change in the ratings on the Bonds or any Subordinated Indebtedness assigned by Moody's or S&P;

(e) of any formal inquiry or investigation brought by the United States Securities and Exchange Commission or Internal Revenue Service that relates to any Bonds or Subordinated Indebtedness; and

(f) of the execution and delivery or adoption, as applicable, thereof, of any amendments to any of this Agreement, the Financing Documents (other than the Resolutions) or the Offering 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).

Each notice pursuant to paragraphs (a), (b), (c) or (e) of this subsection 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, if any, action the City proposes to take with respect thereto.

SECTION 6.05 Resolutions, Etc. Shall not amend the Subordinated Bond 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 would impair the City's ability to perform under this Agreement or is inconsistent with this Agreement, without the prior written consent of the Bank; *provided, however*, that except as hereinafter provided, (a) in the case of the Subordinated Bond Resolution, no such consent shall be required in connection with any amendment thereto permitted under the provisions of Section 10.01 or 10.02 thereof and (b) in the case of the Bond Resolution, no such consent shall be required in connection with any amendment thereto permitted under the provisions of Section 1001 or 1002 thereof. The City shall promptly (and in any event within thirty(30) days) 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 any of the Resolutions as in effect on the date of the delivery of the certified Resolutions referred to in subsection 4.01(g); *provided, however*, that (a) in the case of the Subordinated Bond Resolution, the City shall not be required to furnish any such modification, amendment or supplement permitted under the provisions of Section 10.01 or 10.02 thereof, other than such a modification, amendment or supplement that amends or modifies the provisions of the Second Supplemental Subordinated Bond Resolution and (b) in the case of the Bond Resolution, the City shall not be required to furnish any such modification, amendment or supplement permitted under the provisions of Section 1001 or 1002 thereof. No such amendments permitted hereunder shall impair the rights of the Bank under the Subordinated Bond Resolution or the Bond Resolution or the ability of the City to perform its obligations hereunder or under the Bank Bond; *provided, however*, that the foregoing shall not impair the rights of the City to issue additional indebtedness and obligations in accordance with the terms of the Subordinated Bond Resolution or the Bond Resolution.

No amendment to the sections of the Bond Resolution incorporated by reference into the Subordinated Bond Resolution by virtue of Section 7.07 of the Subordinated Bond Resolution shall be effective for purposes of the Subordinated Bond Resolution unless approved in the same manner as required for an amendment to the Subordinated Bond Resolution (as if such incorporated provisions were set out in full in the Subordinated Bond Resolution).

SECTION 6.06 Payment of Bank Bond. Shall pay or cause to be paid to the Trustee for deposit in the Subordinated Indebtedness Fund an amount which, together with other amounts then on deposit in such Subordinated Indebtedness Fund and the Series C CP Note Payment Account, will be sufficient and available to make payment of the principal and interest on Bank Bond on the dates the same shall become due and payable.

SECTION 6.07 Further Assurance. Shall, at any and at all times, as far as it may be authorized by law, comply with any reasonable request of the Bank to pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, moneys, securities and funds pledged or assigned in the Subordinated Bond Resolution or intended so to be, or which the City may become bound to pledge or assign.

SECTION 6.08 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 Bank Bonds are outstanding or other amounts are owing to the Bank hereunder, 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 6.09 Replacement of this Agreement. In the event that either (a) the Bank shall determine (or be deemed to have determined) not to extend the Revolving Credit Period upon request of the City, (b) the City shall have failed to timely request that the Bank extend the Revolving Credit Period or (c) the Commitment and the Bank's obligation to make Loans hereunder shall have been terminated by the City prior to the Termination Date or shall have terminated as provided in Section 7.01, shall either (i) obtain a letter of credit, credit agreement or other instrument or agreement replacing this Agreement and the Commitment in its entirety, or (ii) refinance in full or otherwise defease in full the Commercial Paper Notes, in either case, as soon as practicable following the occurrence of either such event. The City agrees that any replacement letter of credit, credit agreement or other instrument or agreement will require, as a condition to its effectiveness, that the issuer or provider thereof, as the case may be, will provide funds, on the date such letter of credit, credit agreement or other instrument or agreement becomes effective, which, together with any available funds of the City, shall be sufficient to pay in full all Loans outstanding on such date, plus accrued interest thereon, together with all other amounts due and payable hereunder.

SECTION 6.10 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 6.11 Incorporation by Reference. (a) Shall comply with all its covenants and agreements set forth in the other Financing Documents, which covenants and agreements are hereby incorporated herein by reference and, notwithstanding anything to the

contrary set forth herein or in such other Financing Documents, shall be for the benefit of, and run directly to, the Bank, and the Bank shall be entitled to rely upon all such covenants and agreements as though all such covenants and agreements were set forth herein in full or otherwise addressed directly to the Bank. All such covenants and agreements shall be unaffected by any amendment, modification or waiver after the date hereof of any such other Financing Document, unless amended, modified or waived in accordance with Section 6.05 hereof.

(b) (i) In the event that the City shall after the date hereof, directly or indirectly, enter into, or otherwise consent to any amendment, supplement or other modification of, any credit agreement, note purchase agreement, reimbursement agreement or other agreement or instrument under which, directly or indirectly, any Person or Persons undertake to make or provide funds to make payment of, or to purchase or provide credit enhancement for, any Indebtedness which is secured on a parity with, the Commercial Paper Notes (each, an "Other Debt Document"), and which includes financial covenants or other more favorable remedies, including without limitation, a more favorable bank bond amortization period or more accelerated schedule of bank bond amortization payments or any other rights to otherwise accelerate (but expressly excluding, for purposes of clarification with respect to this Section, any commitment fee or termination fee provisions agreed to by the City with any other Person), which are more favorable than the provisions contained in this Agreement (all of the foregoing provisions are collectively referred to herein as the "Incorporated Provisions"), this Agreement shall be deemed to be amended to include such Incorporated Provisions, together with related defined terms contained in such sources, for the benefit of the Bank. The City will perform and comply with the Incorporated Provisions incorporated herein. The City further covenants to promptly execute and deliver at its expense an amendment to this Agreement in form and substance satisfactory to the Bank evidencing the amendment of this Agreement to include such Incorporated Provisions, provided that the execution and delivery of such amendment shall not be a precondition to the effectiveness of this Agreement being deemed to be amended as provided for in this Section, but shall merely be for the convenience of the parties hereto. Said Incorporated Provisions, so long as the Other Debt Document or Documents from which it or they are derived has not been terminated, or has not expired, will remain in full force and effect for all purposes of this Agreement; *provided*, that (i) any amendment, waiver or other modification of an Incorporated Provision, if effected in accordance with the Other Debt Document from which it is derived (excluding any amendment, waiver or other modification effected subsequent to the occurrence of a "default" or "event of default" under said Other Debt Document or hereunder), will be effective to amend, waive or modify such Incorporated Provision as set forth in this Agreement only after the City provides written notice to the Bank of such amendment, waiver or modification, in which case, the City shall promptly execute and deliver at its expense an amendment to this Agreement in form and substance satisfactory to the Bank evidencing the amendment, waiver or modification of this Agreement to amend, waive or modify such Incorporated Provisions; and (ii) in no event will any such amendment, waiver or modification of an Incorporated Provision, if effected in accordance with the Other Debt Document from which it is derived (excluding any amendment, waiver or other modification effected subsequent to the occurrence of a "default" or "event of default" under said Other Debt Document or hereunder) result in an amortization period and/or related schedule of amortization payments with respect to Bank Bonds that is less favorable to the Bank than the provisions originally set forth in this Agreement. Notwithstanding any other provision of this Section 6.11, however, in the event that the Bank Bond held by the Bank actually is amortizing pursuant to a more favorable schedule of amortization payments set forth in such Other Debt Document or

Documents, then regardless of the effective status of such Other Debt Document or Documents or any amendment, waiver or modification thereof by any other Person, the Bank Bond held by the Bank shall remain subject to such more favorable schedule of amortization payments, and such more favorable Incorporated Provisions shall remain in effect hereunder, unless the Bank otherwise consents in writing, unless any such amendment or modification is more favorable to the Bank and, in such case, the more favorable terms shall be subject to incorporation by reference as otherwise described in this Section.

(ii) Notwithstanding the foregoing, no (A) additional or more restrictive events of default under an Other Debt Document, the remedy for which is an immediate termination or suspension of the obligations of the related lender thereunder or (B) additional conditions precedent to purchase or funding under an Other Debt Document shall be incorporated into this Agreement pursuant to the terms of Section 6.11(b)(i) without written confirmation from each of the Rating Agencies then rating the Commercial Paper Notes that such incorporation will not result in a suspension, lowering or withdrawal of the then current short-term credit ratings on the Commercial Paper Notes.

SECTION 6.12 Rating of Bank Bond. While any Loan is outstanding, upon the request of the Bank the City will, at its expense, endeavor to obtain and maintain a credit rating assigned to the Bank Bond by at least one Rating Agency.

SECTION 6.13 Compliance with Laws. Shall comply in all material respects, within the time period, if any, given for such compliance by the relevant Governmental Authority, with all applicable laws, 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 6.14 Dealer and Issuing Agent. So long as this Agreement is in effect, the City will not permit the appointment of a successor Issuing Agent or Dealer unless the City has obtained the prior written consent of the Bank thereto, which consent shall not be unreasonably withheld or delayed. The City will cause an Issuing Agent and a Dealer acceptable to the Bank to be in place at all times while this Agreement is in effect or any Commercial Paper Notes are outstanding.

SECTION 6.15 Disclosure of Bank. The City agrees that it will not, without the prior approval of the Bank (which approval shall not be unreasonably withheld), include in any official statement, reoffering memorandum or similar disclosure document relating to the Commercial Paper Notes, Bonds or Subordinated Bonds or other indebtedness offered by the City on a public or private basis any information describing the Bank; *provided, however*, that the City may include references to the existence of this Agreement, the Bank and its role with respect to the Commercial Paper, without the Bank's consent thereto, in connection with (i) the preparation of an offering document for such indebtedness, (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 6.16 Maintenance of Ratings. Shall at all times maintain long-term credit ratings assigned to the Bonds at no less than "A3" or "A-," as applicable, without regard to credit or liquidity enhancements, from not less than two Rating Agencies.

SECTION 6.17 Repudiation. The City shall not by official action of the City Commission assert in writing that any material provision of this Agreement or any Financing Document (including without limiting the generality of the foregoing, Section 5.01(1) of the Subordinated Bond Resolution) related to the payment of principal or interest on the Commercial Paper Notes or the security for the Commercial Paper Notes is not valid and binding on the City.

ARTICLE VII TENDER EVENTS

SECTION 7.01 Tender Events. If one or more of the following events ("Tender Events") shall have occurred and be continuing:

(a) the City shall fail to pay when due (i) any principal of, or interest on, any Loan (but excluding, for purposes of this subsection (a)(i), accelerated payments on the Bank Bond, which acceleration results solely from either (1) a Potential Tender Event under clause (ii) of the definition thereof occurring and continuing, or (2) any representation or warranty of the City contained in (or incorporated by reference in) this Agreement not being true and correct), or (ii) any fees or any other amount payable hereunder or under the Fee Letter;

(b) the City shall fail to observe or perform any covenant or agreement contained in this Agreement (other than as described in another clause of this Section 7.01) or in any Financing Document for 60 days after written notice thereof has been given to the City by the Bank; *provided, however*, that there shall be no 60-day cure period for a failure to observe or perform any covenant or agreement set forth in or contemplated by Section 6.01, 6.04(a), 6.04(b), 6.04(c), 6.05, 6.06, 6.08, 6.09, 6.10, 6.11, 6.14 or 6.15;

(c) any representation, warranty, certification or statement made by the City (or incorporated by reference) in this Agreement 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);

(d) the City shall fail to pay any principal of, or interest on, any of the Bonds, the Commercial Paper Notes or any of the City's Subordinated Indebtedness (including bank-held bonds, but excluding, for purposes of this subsection (d), accelerated payments on bank-held bonds, notes or other Subordinated Indebtedness arising from unreimbursed draws on letters of credit, standby bond purchase agreements and other similar instruments, which acceleration results solely from either (i) an event of default or tender event occurring and continuing with respect thereto, or (ii) any representation or warranty of the City contained in (or incorporated by reference in) the documents relating to such bank-held bonds, notes or other Subordinated Indebtedness not being true and correct) when due or within any applicable grace period; provided that for purposes of this subsection (d), the foregoing shall exclude (A) the failure by the City to pay any termination payments owed to a counterparty to a Qualified Hedging Contract, (B) the failure by the City to pay any net payment on any

Qualified Hedging Contract that is not related to limiting or managing exposure to fluctuations in interest rates, or to obtain a marginally lower interest rate, in either case, pertaining to the Bonds or the Commercial Paper Notes, and/or (C) the failure by the City to pay any principal of, or interest on, Subordinated Indebtedness issued in the form of commercial paper notes, but only to the extent that (I) the payment of such amounts is supported in whole by a third-party liquidity provider pursuant to a liquidity agreement and (II) with respect to such commercial paper notes, no underlying, unenhanced short-term credit rating has been issued by the Rating Agencies;

(e) any event or condition shall occur which (i) results in the acceleration of the maturity of any Commercial Paper Notes or other Subordinated Indebtedness or (ii) enables (or, with the giving of notice or lapse of time or both, would enable) the holder of such Commercial Paper Notes or other Subordinated Indebtedness or any Person acting on such holder's behalf to accelerate the maturity thereof;

(f) the City shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any of the foregoing;

(g) an involuntary case or other proceeding shall be commenced against the City seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed in a period of ninety (90) days; or an order for relief shall be entered against the City under the Federal bankruptcy laws or applicable state law as now or hereafter in effect;

(h) a moratorium shall have been declared or announced (whether or not in writing) by the State of Florida, the Federal Government or any other Governmental Authority with jurisdiction with respect to all of the Bonds or all of the Subordinated Indebtedness, or a moratorium shall have been declared or announced (whether or not in writing) by the City with respect to any of the Bonds or any of the Subordinated Indebtedness;

(i) 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 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 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);

(j) any material provision of this Agreement or any Financing Document (including without limiting the generality of the foregoing, Section 5.01(1) of the Subordinated Bond Resolution) related to the payment of principal or interest on the Commercial Paper Notes or the security for the Commercial Paper Notes shall at any time cease to be valid and binding on the City as a result of a final, non-appealable judgment of a court of competent jurisdiction or by any Governmental Authority having jurisdiction;

(k) each of the Rating Agencies then rating any Bonds shall have downgraded the long-term unenhanced credit ratings on such Bonds to below "Baa3" or "BBB-", as the case may be, or shall have suspended or withdrawn the long-term unenhanced credit ratings on such Bonds for credit-related reasons; or

(l) the City shall fail to pay when due (i) any accelerated payments on the Bank Bond, (ii) any accelerated payments on bank-held bonds, notes or other Subordinated Indebtedness arising from unreimbursed draws on letters of credit, standby bond purchase agreements and other similar instruments within any applicable grace period; (iii) any termination payments owed to a counterparty to a Qualified Hedging Contract; or (iv) any net payment on any Qualified Hedging Contract that is not related to limiting or managing exposure to fluctuations in interest rates, or to obtain a marginally lower interest rate, in either case, pertaining to the Bonds or the Commercial Paper Notes;

then, and in every such event, the Bank (i) may issue to the City and the Issuing Agent pursuant to Section 2.01(b) No-Issuance Instructions, if No-Issuance Instructions have not theretofore been issued or are not then in effect, (ii) may, by notice to the City, terminate the Commitment and the Bank's obligation to make Loans hereunder and they shall thereupon terminate in accordance with Section 3.08(b), and (iii) may, by notice to the City, tender the Bank Bond to the City for payment and the City shall thereupon be obligated to pay immediately the outstanding principal amount of the Bank Bond (together with accrued interest thereon) and all other amounts owed by the City hereunder, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; *provided, however*, with respect to clause (iii) if on such date any Commercial Paper Notes remain outstanding, the Bank shall not be required to tender such Bank Bond to the City for payment and such Bank Bond shall instead be deemed to be partially tendered for payment to the City and the City shall be obligated to pay immediately the outstanding principal amount of the Bank Bond, together with accrued interest thereon, as of the date of the tender, and if the Bank funds any Loan subsequent to such "deemed tendered" date the Bank shall have again be deemed to have partially tendered the Bank Bond for payment on such date and the City shall also be obligated to immediately pay the Bank the amount of such Loan on the date thereof, together with all interest as may accrue thereon. Notwithstanding the foregoing, in the case of any of the Tender Events described in clause (a)(i), clause (d), clause (f), clause (g), clause (h), clause (i), clause (j) or clause (k) above (each, an

"Immediate Tender Event"), without any notice to the City or any other act by the Bank, the Commitment and the Bank's obligation to make Loans hereunder shall thereupon terminate and the Bank Bond 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 the Bank Bond (together with accrued interest thereon) and all other amounts owed by the City hereunder, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the City. Promptly following the taking of any action or the occurrence of any event or condition referred to above, the Bank shall give notice thereof to the City, the Issuing Agent and the Dealer, but the failure to give any such notice or any delay in giving any such notice shall not impair the validity or effect of any action or event or condition referred to above.

Upon the occurrence and during the continuance of a Potential Tender Event described in clause (g) above (a "Suspension Event"), the Bank's obligation to make Loans hereunder shall be immediately and automatically suspended, without notice, and the Bank shall be under no further obligation hereunder to make Loans hereunder until the bankruptcy, insolvency or similar proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated, then the obligation of the Bank to make Loans hereunder shall be automatically reinstated and the terms of this Agreement shall continue in full force and effect (unless the obligation of the Bank to make Loans hereunder shall otherwise have terminated as provided in this Section 7.01) as if there had been no such suspension. If at any time prior to the Maturity Date, (x) the Potential Tender Event which gave rise to such suspension is cured or has ceased to be continuing and (y) the obligation of the Bank to make Loans under this Agreement has not otherwise terminated, then, the obligation of the Bank to make Loans under this Agreement shall be automatically reinstated. If the Potential Tender Event which gave rise to the suspension of the obligation of the Bank to make Loans under this Agreement has not been cured or has not ceased to be continuing prior to Maturity Date and the obligation of the Bank to make Loans under this Agreement has not otherwise terminated, then the obligation of the Bank to make Loans hereunder shall be automatically terminated on the Maturity Date. Promptly upon the occurrence of such termination the Bank shall give written notice of the same to the City, the Issuing Agent and the Dealer; *provided*, that the Bank shall not incur any liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of the obligation of the Bank to make Loans under this Agreement.

The rights, remedies, powers and privileges provided herein and in 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. The Bank may remedy any default by the City hereunder or with respect to any other person, firm or corporation in a reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the City.

SECTION 7.02 Effect of Tender Event. The Bank Bond shall be immediately due and payable upon its becoming subject to payment by the City pursuant to Section 7.01 above.

**ARTICLE VIII
CHANGE IN CIRCUMSTANCES**

SECTION 8.01 Increased Cost and Reduced Return. If (a) the introduction of or any change in or in the interpretation of any law or regulation, (b) the compliance with any guideline or request from any central bank or other governmental authority or (c) the introduction of any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein or any change in the interpretation or administration thereof by any central bank or governmental authority charged with the interpretation or administration thereof or compliance by the Bank (or any corporation controlling any thereof), with any request, guideline or directive regarding capital adequacy of any such central bank or other authority, shall either (i) impose, modify or deem applicable any reserve, special deposit, insurance or similar requirement against letters of credit issued by the Bank, commitments of the Bank to make loans similar to the commitments made by the Bank under this Agreement, (ii) change the basis of taxation of payments due the Bank under this Agreement or the Bank Bond (other than a change in taxation of the overall net income of the Bank) or (iii) impose on the Bank any other condition relating, directly or indirectly, to this Agreement, and the result of any event referred to in (i), (ii) or (iii) above shall be to increase the cost to the Bank of maintaining the Commitment under this Agreement or, in the case of any capital adequacy requirement, to reduce the rate of return on the Bank's capital as a consequence of its obligations under or in connection with this Agreement to a level below that which the Bank could have achieved but for the imposition of such requirement (taking into account the Bank's capital adequacy policies) or reduce any amount receivable by the Bank hereunder or in connection herewith (which increase in cost, reduction in rate of return or reduction in amount receivable shall be the result of the Bank's reasonable allocation of the aggregate of such increases or reductions resulting from such event), then the City shall, upon written notice from the Bank (which notice shall set forth the matters described below), pay to the Bank, for the account of the Bank, as the case may be, from time to time as specified by the Bank, such additional amounts as shall be demanded by the Bank as sufficient to compensate the Bank, as the case may be, for such increased cost. Any notice relating to increased costs given the City by the Bank pursuant to this Section 8.01 shall state whether the Bank has become subject to such increase in costs, reduction in rate of return or reduction in amount receivable, and such notice shall specify in reasonable detail (x) the circumstances giving rise to such increase, (y) the date of the event giving rise to such increase and (z) the amount of the increase, which amount the Bank shall certify has been computed in accordance with all applicable rules and regulations.

Notwithstanding the foregoing, for purposes of this Agreement (a) all rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a change in law, regardless of the date enacted, adopted or issued, and (b) all 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) shall be deemed a change in law regardless of the date enacted, adopted or issued.

The provisions of this Section 8.01 shall survive any termination of this Agreement.

SECTION 8.02 Taxes.

(a) To the extent permitted by law, any and all payments by the City hereunder or under the Bank Bond shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the overall net income of the Bank or any Participant (and franchise taxes imposed in lieu of net income taxes) by the jurisdiction of the Bank's or Participant's applicable lending office or any political subdivision thereof (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 from or in respect of any sum payable hereunder or under the Bank Bond, then, to the extent permitted by law, (i) the sum payable shall be increased as may be necessary so that after making all required withholdings or deductions (including those applicable to additional sums payable under this Section 8.02) the Bank or Participant receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) the City shall make such withholdings or deductions and (iii) the City shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law. Notwithstanding anything to the contrary contained herein, the City shall not be required to pay any additional amount in respect of withholding of United States Federal income taxes pursuant to this Section to the extent such withholding is required because the Bank or Participant has failed to submit any form or certificate that it is entitled to submit under applicable law to qualify for an exemption from such withholding.

(b) In addition, to the extent permitted by law, the City agrees to pay any present or future stamp or documentary taxes, charges or similar levies that arise under the laws of the United States of America and the State of Florida from any payment made or received hereunder or received under the Bank Bond or from the execution or delivery or otherwise with respect to this Agreement or the Bank Bond (hereinafter referred to as "Other Taxes").

(c) Payments by the City pursuant to this Section 8.02 shall be made within thirty (30) days from the date the Bank or the Participant, as applicable, makes written demand therefor which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof, which shall be conclusive absent manifest error.

(d) Within thirty (30) days after the date of any payment of Taxes by the City, the City shall furnish to the Bank, at its address specified in or pursuant to Section 9.01 hereof, the original or a certified copy of a receipt evidencing payment thereof. The City shall compensate the Bank or Participant for all losses and expenses sustained by the Bank or Participant as a result of any failure by the City to so furnish such copy of such receipt.

(e) Without prejudice to the survival of any other agreement of the City hereunder, the agreements and obligations contained in this Section 8.02 shall survive the payment in full of principal and interest payable to the Bank hereunder and under the Bank Bond.

(f) Notwithstanding anything to the contrary in this Section 8.02, no amount or amounts payable to any Participant as a result of the provisions set forth in this Section 8.02 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.

**ARTICLE IX
MISCELLANEOUS**

SECTION 9.01 Notices. Except as otherwise provided herein, 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 email, when sent, (iv) 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 (v) if given by any other means, when delivered at the address specified below; *provided* that notices to the Bank under Article III shall not be effective until received; and *provided further* that No-Issuance Instructions given by the Bank to the City or the Issuing Agent shall be effective immediately upon receipt thereof:

If to the City, to:

City of Gainesville, Florida
301 S.E. Fourth Avenue, Station A-134
Gainesville, Florida 32601
Attention: General Manager for Utilities
Telephone: (352) 393-1035
Facsimile: (352) 334-2277
Email: bielarskiej@gru.com

If to the Bank, to:

Regarding general credit matters:

Bank of America
100 West Garden St.
Pensacola, Florida 32502
Attention: Joe Miller
Telephone: (850) 934-5946
Facsimile: (850) 464-1065
Email: j.r.miller@baml.com

Regarding requests to fund Revolving Credit Loans or a Term Loan shall be sent by email and facsimile:

Bank of America
Amy Roberts
866.399.1509 RightFax
Email: Amy1.1.roberts@baml.com

Joe Miller
Fax: 850-454-1065
Email: j.r.miller@baml.com

Eileen Ivens
Fax: 866-361-9956
Email: Eileen.a.iven@baml.com

The aforementioned notice addresses to fund Revolving Credit Loans or a Term Loan may be modified by the Bank upon 10 days advance written notice to the City and the Issuing Agent.

If to the Issuing 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
Email: beverly.freeney@usbank.com

If to the Dealer, to:

Goldman, Sachs & Co.
200 West Street, 5th Floor
New York, New York 10282
Attention: Municipal Money Market Sales and Trading – CP and
Notes Trading
Telephone: (212) 902-6633
Email: ficc-municp-traders@gs.com

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 email) shall be confirmed in writing as promptly as practicable.

SECTION 9.02 No Waivers. No failure or delay by the Bank in exercising any right, power or privilege hereunder or under the Bank Bond shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.03 Expenses; Documentary Taxes; Indemnification.

(a) The City shall pay (i) all out-of-pocket expenses of the Bank, including fees and disbursements of counsel for the Bank (including allocated costs of in-house counsel), in connection with the preparation of this Agreement and the Financing Documents, any waiver or consent hereunder or any amendment hereof or any Potential Tender Event or alleged Potential Tender Event hereunder (*provided* that the City shall not be obligated to pay fees of counsel for the Bank in connection with the preparation of this Agreement in excess of the amount specified in the Fee Letter, plus reasonable disbursements) and (ii) if a Potential Tender Event occurs, all reasonable out-of-pocket expenses incurred by the Bank, including fees and disbursements of counsel (including allocated costs of in-house counsel), in connection with such Potential Tender Event and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom. If and to the extent permitted by applicable law, the City shall indemnify the Bank against any transfer taxes, documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or the Bank Bond.

(b) If and to the 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 (including allocated costs of in-house 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 or any Financing Document or any actual or proposed use of proceeds of Loans hereunder; *provided* 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.

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

SECTION 9.04 Amendments and Waivers. Any provision of this Agreement, the Fee Letter or the Bank Bond may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by an Authorized Officer of the City and the Bank. Each party to this Agreement agrees that it will not rely on any course of dealing, course of performance or oral or written statement by any representative of any other party that does not comply with this Section to effect an amendment, modification, supplement, extension, termination or waiver to departure from the provisions of this Agreement or any Financing Document or any consent thereto.

SECTION 9.05 Assignments, Participations, Etc.

(a) This Agreement shall be binding upon and inure to the benefit of the City, the Bank, and their respective permitted successors and assigns; *provided, however*, that (i) the City may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank and any assignment without such consent shall be void, and (ii) the Bank shall not transfer or assign any or all of its obligations hereunder (A) unless prior to any assignment or transfer by the Bank of its obligations hereunder, the City and the Bank shall have received written evidence from each Rating Agency then rating the Commercial Paper Notes that the ratings on the Commercial Paper Notes following the assignment or transfer by the Bank of its obligations hereunder will not be reduced or withdrawn from the ratings on the Commercial Paper Notes immediately prior to such assignment or transfer, (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 Commercial Paper Notes." 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 Commercial Paper Notes" 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 Financing Documents 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 Tender Event 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 at any time sell to one or more banks or other entities (a "Participant") participating interests in any Loans, the Commitment or any other interest of the Bank hereunder; *provided* that (i) the Bank's obligations under this Agreement shall remain unchanged, (ii) the Bank shall remain solely responsible for the performance of such obligations, (iii) the City shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement, and (iv) the Bank shall not transfer or grant any participating interest under which the Participant shall have rights to approve any amendment to, or any consent or waiver with respect to this Agreement. In the case of any such participation, the Participant shall not have any rights under this Agreement, or any of the Financing Documents, and all amounts payable by the City hereunder shall be determined as if the Bank had not sold such participation, except that if amounts outstanding under this Agreement are due and unpaid, or the Bank Bond shall have become due and payable upon the occurrence of a Tender Event, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as the Bank under this Agreement.

(c) The Bank may at any time pledge or grant a security interest in all or any portion of its rights under the Bank Bond, this Agreement and the other Financing Documents to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank or Federal Home Loan Bank; *provided* that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto.

SECTION 9.06 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF FLORIDA.

SECTION 9.07 Counterparts; Integration. 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. This Agreement constitutes the entire agreement and understanding among the parties hereto and, except with respect to the other documents and agreements referred to herein, supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 9.08 Waiver of Jury Trial. 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 9.09 Jurisdiction; Venue. 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 courts of the State of Florida and the federal courts located in the State of Florida and agrees that any such suit, action or proceeding shall be had and maintained in the Eighth Judicial Circuit Court and applicable appellate courts.

SECTION 9.10 Patriot Act Notice. The Bank hereby notifies the City that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the City, which information includes 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. The City hereby agrees that it shall promptly provide such information upon request by the Bank.

SECTION 9.11 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 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.

[Signature Page Follows]

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

CITY OF GAINESVILLE, FLORIDA

By: _____
Name: _____
Title: _____

Approved as to form and legality:

Shayla L. McNeill
Utilities Attorney

BANK OF AMERICA, N.A.

By _____
Name: _____
Title: _____

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136433-6

FORM OF NOTICE OF REVOLVING CREDIT BORROWING

[Date]

To: Bank of America, N.A. (the "Bank")
From: City of Gainesville, Florida (the "City")
Re: Credit Agreement, dated November 30, 2015,
between the City and the Bank (the "Credit Agreement")

We hereby give notice, on behalf of the City, pursuant to Section 3.02(a) of the Credit Agreement, of the following proposed Revolving Credit Loan:

Date of Loan: _____

Amount of Loan: _____

You are directed to pay the amount of the Loan on _____ in accordance with the following wire transfer instructions:

U.S. BANK TRUST NA
ABA #091 000 022
A/C# 1731 0185 1827
A/C Name: U.S. Bank Trust
Attn.: Rosalyn Callender
REF: GAINESVILLE

Terms used herein have the meanings assigned to them in the Credit Agreement.

CITY OF GAINESVILLE, FLORIDA

By U.S. BANK NATIONAL ASSOCIATION,
as Issuing Agent

By _____
Title:

FORM OF NOTICE OF TERM BORROWING

[Date]

To: Bank of America, N.A. (the "Bank")
From: City of Gainesville, Florida (the "City")
Re: Credit Agreement, dated November 30, 2015,
between the City and the Bank (the "Credit Agreement")

We hereby give notice, on behalf of the City, pursuant to Section 3.02(b) of the Credit Agreement, of the following proposed Term Loan:

Date of Loan: _____

Amount of Loan: _____

You are directed to pay the amount of the Loan on _____ in accordance with the following wire transfer instructions:

U.S. BANK TRUST NA
ABA #091 000 022
A/C# 1731 0185 1827
A/C Name: U.S. Bank Trust
Attn.: Rosalyn Callender
REF: GAINESVILLE

Terms used herein have the meanings assigned to them in the Credit Agreement.

CITY OF GAINESVILLE, FLORIDA

By _____
Title:

FORM OF NO-ISSUANCE INSTRUCTIONS

City of Gainesville, Florida
301 S.E. Fourth Avenue
Gainesville, Florida 32601
Attention: General Manager for Utilities
(FAX: [(352) 334-2277])

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

Dear Ladies and Gentlemen:

The undersigned, Bank of America, N.A., pursuant to the Credit Agreement, dated November 30, 2015 (the "Credit Agreement"), between the undersigned and the City of Gainesville, Florida (the "City"), hereby gives notice to the City and U.S. Bank National Association, in its capacity as successor Issuing Agent under the Issuing and Paying Agency Agreement dated as of February 1, 1995, between Bankers Trust Company and the City, as amended, that [a [Potential] Tender Event under [specify applicable Section(s) of the Credit Agreement] has occurred and is continuing][a material representation or warranty of the City in [specify applicable Section(s) of the Credit Agreement] is not true and correct on and as of the date hereof], and hereby instructs you not to issue, authenticate or deliver any Commercial Paper Notes (other than those Commercial Paper Notes permitted to be issued, authenticated and delivered as provided in Section 2.01(b) of the Credit Agreement) from and after your receipt of these No-Issuance Instructions, until these No-Issuance Instructions are rescinded in writing by the undersigned.

Terms used herein and not defined shall have the meanings set forth in the Credit Agreement.

Very truly yours,

BANK OF AMERICA, N.A.

By _____
Title: _____

FORM OF OPINION OF THE OFFICE OF THE CITY ATTORNEY

[Effective Date]

Bank of America, N.A.
Pensacola, Florida

Holland & Knight LLP
Lakeland, Florida

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 Credit Agreement (the "Credit Agreement"), dated November 30, 2015, between the City and Bank of America, N.A. (the "Bank"). This opinion is being rendered to you at the request of the City pursuant to Section 4.01(d)(i) of the Credit 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 Credit Agreement, (c) the Utilities System Revenue Bond Resolution of the City, adopted June 6, 1983, as supplemented, amended and restated to the date hereof (the "Bond Resolution"), (d) the Subordinated Utilities System Revenue Bond Resolution of the City, adopted January 26, 1989, as supplemented, amended and restated to the date hereof, including as supplemented by the Second Supplemental Subordinated Utilities System Revenue Bond Resolution of the City, adopted October 6, 1992 (such Subordinated Utilities System Revenue Bond Resolution, as so supplemented, amended and restated, being referred to herein as the "Subordinated Bond Resolution"), (e) the Amended and Restated Issuing and Paying Agency Agreement dated as of February 1, 1995, between the City and Bankers Trust Company, (f) the Credit Agreement and (g) the Fee Letter, dated of even date herewith, between the City and the Bank (the "Fee Letter"), 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 Credit 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 our knowledge (without independent investigation), 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, property 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 Credit Agreement and the Bank Bond.

(2) The City has all requisite power and authority and the legal right to adopt the Resolutions, to make, deliver and perform the Credit Agreement, the Fee Letter and the Bank Bond and to borrow under the Credit Agreement and to secure the payment of its obligations in respect of such borrowings by the pledge of the Subordinated Indebtedness Fund as provided in the Subordinated Bond Resolution, and has taken all necessary action to authorize the borrowings and such pledge on the terms and conditions of the Credit Agreement, the Bank Bond and the Resolutions, and to authorize the execution, delivery and performance of the Credit Agreement, the Fee Letter and the Bank Bond. No consent or authorization of, filing with, or other act by or in respect of any Governmental Authority is required in connection with the borrowings under the Credit Agreement or with the execution, delivery, performance, validity or enforceability of the Credit Agreement, the Fee Letter, the Bank Bond or the other Financing Documents. The Bond Resolution and the Subordinated Bond Resolution have been duly adopted and are in full force and effect and the Credit Agreement and the Fee Letter have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other party thereto, are in full force and effect. The Bank Bond has been duly executed and delivered on behalf of the City. The Credit Agreement, the Fee Letter and the Bank Bond constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, and no other authorization on the part of the City is required in connection with the Credit Agreement, the Fee Letter and the Bank Bond. The Bank Bond is a direct and special obligation of the City payable from amounts in the Subordinated Indebtedness Fund and does not constitute a general indebtedness or a pledge of the full faith and credit of the City within the meaning of any constitutional or statutory provision or limitation of indebtedness, nor constitute a lien on any property of or in the City other than the pledge of the Subordinated Indebtedness Fund as provided in the Subordinated Bond Resolution.

(3) The execution, delivery and performance of the Credit Agreement, the Fee Letter and the Bank Bond, the borrowings under the Credit Agreement and the use of the proceeds thereof 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 Requirement of Law or, to our knowledge, any material Contractual Obligation of the City, and, except for the pledge of the Subordinated Indebtedness Fund effected by the Subordinated Bond Resolution, will not result in, or require, the creation or imposition of any lien or encumbrance on or security interest in any of the properties or Revenues of the System pursuant to any such Requirement of Law or Contractual Obligation.

(4) Except as disclosed in the Reoffering Memorandum dated _____, 2015 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 (a) with respect to any of the Resolutions, the Credit Agreement, the Fee Letter or the Bank Bond or any of the transactions contemplated thereby, or (b) which would have a material adverse effect on the business, operations, property or financial or other condition of the System or the ability of the City to perform its obligations under the Bond Resolution, the Subordinated Bond Resolution, the Credit Agreement, the Fee Letter or the Bank Bond 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 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. No 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 _____
Shayla L. McNeill
Utilities Attorney

FORM OF OPINION OF HOLLAND & KNIGHT LLP

[Effective Date]

City of Gainesville, Florida
Gainesville, Florida

Bank of America, N.A.
Pensacola, Florida

Re: Utilities System Commercial Paper Notes, Series C (the "Notes")

Ladies and Gentlemen:

We are acting as Bond Counsel to the City of Gainesville, Florida (the "City") in connection with the execution of a Credit Agreement (the "Substitute Credit Agreement"), dated November 30, 2015, between the City and Bank of America, N.A. (the "Replacement Liquidity Provider") as a replacement for an existing Credit Agreement dated as of March 1, 2000 between the City and Bayerische Landesbank Girozentrale, to provide credit support for the above-referenced Notes (the "Substitution").

On April 25, 2008, Orrick, Herrington & Sutcliffe LLP, New York, New York, as Bond Counsel for the issuance of the Notes, delivered their opinion that, assuming compliance with certain covenants, under existing law, interest on the Notes 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 (the "2008 Opinion").

This opinion is delivered in accordance with the requirements of Section 4.01(d)(ii) of the Substitute Credit Agreement. All capitalized terms not otherwise defined herein shall such meanings as given in the Substitute Credit Agreement or the hereinafter defined Subordinated Bond Resolution.

In such connection, we have reviewed the Substitute Credit Agreement; the Fee Letter; a certified copy of the Utilities System Revenue Bond Resolution of the City, adopted June 6, 1983, as supplemented, amended and restated to the date hereof (the "Bond Resolution"); a certified copy of the Subordinated Utilities System Revenue Bond Resolution of the City, adopted January 26, 1989, as supplemented, amended and restated to the date hereof, including as supplemented by the Second Supplemental Subordinated Utilities System Revenue Bond Resolution of the City, adopted June 15, 2000 (such Subordinated Utilities System Revenue Bond Resolution, as so supplemented, amended and restated, being referred to herein as the "Subordinated Bond Resolution"); a certified copy of the Amended and Restated Issuing and Paying Agency Agreement dated as of February 1, 1995, between the City and Bankers Trust Company, as amended to the date hereof; an opinion of the Office of City Attorney of the City, the 2008 Opinion and certificates of the City and others.

We have also examined and relied upon (i) such other agreements, certificates, documents and opinions of various parties relating to the Notes 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 Credit Agreement by the respective duly authorized parties thereto and the enforceability of the Substitute Credit Agreement 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 the Substitution, will not, in and of itself, adversely affect the exclusion of interest on the Notes 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 Notes 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 Notes.

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 Notes 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

FORM OF OPINION OF COUNSEL TO THE BANK

MARK E. RAYMOND

ATTORNEY AT LAW

4360 NORTHLAKE BOULEVARD
SUITE 204
PALM BEACH GARDENS, FL 33410
Tel: 561.775.8440
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mark.raymond@mraymondllaw.com

November 30, 2015

City of Gainesville, Florida

Re: Credit Agreement with Bank of America, N.A.

Ladies and Gentlemen:

I have served as counsel to Bank of America, N.A., a national banking association (the "Bank") in connection with the Credit Agreement (the "Agreement") dated of even date herewith between the Bank and City of Gainesville, Florida (the "City").

It is my opinion that under the laws of the State of Florida and the United States of America:

1. The Bank is a national banking association duly organized and validly existing under the laws of the United States of America. The Bank has all necessary right, power and authority to perform the obligations of the Bank under the Agreement.

2. The Agreement has been duly authorized, executed and delivered by the Bank and, assuming that the Agreement is a valid and binding agreement of the City, the Agreement constitutes a valid and legally binding obligation of the Bank enforceable in accordance with its terms, except as such enforceability may be limited by applicable insolvency, reorganization, liquidation, moratorium, readjustment of debt or other similar laws affecting the enforcement of creditors' rights, as such laws may be applied in the event of an insolvency, reorganization, liquidation, readjustment of debt or similar proceedings or a moratorium with respect to the obligations of the Bank, and subject to the application of general principles of equity regardless of whether such enforceability is considered in a proceeding at law, or in equity.

This letter does not establish a lawyer-client relationship between the City and me. This letter is solely for the benefit of the City and may not be relied upon by any person other than the City.

Very truly yours,

Mark E. Raymond

FEE LETTER

This Fee Letter (this "Fee Letter") is dated November 30, 2015 and is by and between the City of Gainesville, Florida (the "City"), a municipal corporation of the State of Florida, and Bank of America, N.A. (the "Bank"), a national banking association.

Reference is made to the Credit Agreement, dated of even date herewith (as amended and supplemented from time to time, the "Agreement"), between the City and the Bank. Any capitalized term used herein that is defined in the Agreement (including by reference to another document) shall have the same meaning when used herein.

In order to induce the Bank to enter into the Agreement, the City agrees to make the following payments to the Bank at the following times:

(1) A fee (the "Facility Fee") for each day determined by multiplying the difference of Commitment minus the outstanding principal balance of all Revolving Credit Loans, as of the close of business of the Bank on such day, by a rate per annum equal to the Facility Fee Rate (as defined below), payable quarterly in arrears on the first Business Day of each January, April, July and October from the date hereof to and including the Termination Date (with the first such payment being due and payable on January 1, 2016) and on the Termination Date.

As used herein, "Facility Fee Rate" means, for any day, the rate per annum set forth in the table below opposite the lowest long-term rating assigned to any of the Bonds without regard to any liquidity or credit enhancement (a "Rating") by any Rating Agency as of such day:

| Facility Fee (bppa) | Moody's Rating | S&P Rating | Fitch Rating |
|---------------------|----------------|-------------|--------------|
| 40 | Aa2 or above | AA or above | AA- or above |
| 45 | Aa3 | AA- | A+ |
| 50 | A1 | A+ | A |
| 55 | A2 | A | A- |
| 60 | A3 | A- | BBB+ |

Notwithstanding the foregoing, if on any day any Rating has been withdrawn or suspended for any reason or a Tender Event exists, the otherwise applicable Facility Fee Rate shall be increased by 1.50% per annum.

References to the Ratings above are references to the Rating categories of the Rating Agencies as presently determined by the respective Rating Agencies and, in the event of adoption of any new or changed rating system by any Rating Agency, the Ratings from the applicable Rating Agency shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as then currently in effect.

The Bank's determination of the Facility Fee pursuant to this Fee Letter shall be conclusive absent manifest error.

(2) In the event the Agreement is terminated or the Commitment is permanently reduced prior to November 30, 2017, then an amount equal to the Facility Fee (calculated assuming no change in the Facility Fee Rate subsequent to the date of such termination or reduction) that would have been paid on the portion of the Commitment that is being terminated or reduced from the Closing Date to November 30, 2017, less any actual amount of the Facility Fee the City paid to the Bank with respect to such portion during such period, such fee to be payable within ten Business Days after demand therefor. However, no such fee will be required to be paid by the City in connection with a (i) termination of all or any portion of the Commitment if on the day of such termination the short-term rating assigned to the Bank by any two Rating Agencies is below P-1/A-1/F1 or the equivalent or (ii) a termination of the Agreement when no Commercial Paper Notes supported by a facility similar to that provided pursuant to the Agreement will be outstanding immediately following such termination.

(3) A draw fee in an amount equal to \$250 for each Loan, which amount shall be payable on the date of such Loan.

(4) In connection with any amendment, supplement, modification, waiver or consent relating to the Agreement requested by the City, \$2,500, plus the reasonable fees and expenses of the Bank's counsel.

(5) On the Closing Date, the fee and expenses of Mark E. Raymond, counsel to the Bank, in the amount of \$25,000.00.

All fees required to be paid under the Agreement and this Fee Letter shall, upon payment, be nonrefundable and shall be calculated on the basis of a 360-day year for the actual number of days elapsed.

The parties agree that any reference in the Agreement or in any other Related Document to the "Agreement" shall mean and refer to the Agreement and this Fee Letter.

This Fee Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement.

This Fee Letter may not be amended or waived except by an instrument in writing signed by the Bank and the City.

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

CITY OF GAINESVILLE, FLORIDA

By: _____
Name: Edward J. Bielarski, Jr.
Title: General Manager

BANK OF AMERICA, N.A.

By: _____
Name: Joe R. Miller
Title: Senior Vice President

EXHIBIT B TO RESOLUTION
FORM OF OFFERING MEMORANDUM

COMMERCIAL PAPER OFFERING MEMORANDUM

CITY OF GAINESVILLE, FLORIDA

\$85,000,000
UTILITIES SYSTEM
COMMERCIAL PAPER NOTES,
SERIES C

\$25,000,000
UTILITIES SYSTEM
COMMERCIAL PAPER NOTES,
SERIES D (Federally Taxable)

This Offering Memorandum is being furnished in connection with the sale from time to time by the City of Gainesville, Florida (the "City") of its Utilities System Commercial Paper Notes, Series C (the "Series C Notes") and its Utilities System Commercial Paper Notes, Series D (Federally Taxable) (the "Series D Notes," and together with the Series C Notes, the "CP Notes").

THE CP NOTES

General.

| | |
|---|--|
| Denominations | \$1,000 or any multiple thereof, with a minimum of not less than \$100,000. |
| Maturity Date | No more than 270 days from the date of issuance thereof, but in no event later than October 5, 2022. |
| Interest Rate; Interest Rate Basis | Not to exceed 15% per annum calculated on the basis of a 365-day year and actual days elapsed. |
| Interest Payment Date | Interest on the Series C Notes is payable on their respective maturity dates. |

The CP Notes have been issued in book-entry form through the book-entry system of The Depository Trust Company, New York, New York ("DTC"). However, the City reserves the right to issue any or all of the CP Notes in bearer form without coupons. Any CP Notes issued in book-entry form through the book-entry system of DTC shall be subject to the discussion set forth below under the caption "*The Book-Entry System.*" Any CP Notes issued in bearer form will be payable at the Corporate Trust Department of U.S. Bank National Association, 100 Wall Street, Suite 1600, New York, New York 10005, as Issuing and Paying Agent for the CP Notes (the "Issuing Agent").

The CP Notes are issued under and pursuant to a resolution adopted by the City on October 5, 1992 entitled "Second Supplemental Subordinated Utilities System Revenue Bond Resolution," as heretofore amended (the "Second Supplemental Resolution"). The Second Supplemental Resolution is supplemental to a resolution adopted by the City on January 26, 1989 entitled "Subordinated Utilities System Revenue Bond Resolution," as heretofore supplemented, amended and restated (the "Subordinated Resolution"), which authorizes the

issuance by the City from time to time of its Subordinated Utilities System Revenue Bonds (the "Subordinated Bonds").

The Second Supplemental Resolution currently permits the issuance of not more than \$85,000,000 in aggregate principal amount of Series C Notes at any one time outstanding, of which \$56,900,000 are currently outstanding, and not more than \$25,000,000 in aggregate principal amount of Series D Notes at any one time outstanding, of which \$8,000,000 are currently outstanding.

The CP Notes may be issued for purposes of (i) paying the principal of, and interest on, maturing CP Notes, (ii) repaying borrowings under the Agreement (hereinafter defined) and (iii) financing the costs of acquisition and construction of an electric system, natural gas system, water system, wastewater system and telecommunications system owned by the City and operated as a single combined public utility (the "System").

The City also has issued its Utilities System Subordinated Bank Bond, Series A (the "Series A Bank Bond") under the Subordinated Resolution in order to evidence any loans made by the bank providing liquidity support for the Series C Notes, and its Utilities System Subordinated Bank Bond, Series B (the "Series B Bank Bond") under the Subordinated Resolution in order to evidence any loans made by the bank providing liquidity support for the Series D Notes, but no amounts of Series A Bank Bonds or Series B Bank Bonds are outstanding as of the date of this Offering Memorandum. See "BANK LIQUIDITY ARRANGEMENTS" herein. **[CONFIRM]**

In addition, the City (a) has authorized the issuance of not more than \$25,000,000 in aggregate principal amount of its Utilities System Commercial Paper Notes, Series D (Federally taxable) (the "Series D Notes") under the Subordinated Resolution and (b) has issued its Utilities System Subordinated Bank Bond, Series B (the "Series B Bank Bond") under the Subordinated Resolution in order to evidence any loans made by the bank providing liquidity support for the Series D Notes. As of the date of this Offering Memorandum, \$8,000,000 of Series D Notes are outstanding and no amounts are outstanding under the Series B Bank Bond. **[CONFIRM]**

The Subordinated Resolution was adopted pursuant to, and supplements, a resolution adopted by the City on June 6, 1983 entitled "Utilities System Revenue Bond Resolution," as heretofore supplemented, amended and restated (the "Bond Resolution"), which authorizes the issuance by the City from time to time of its Utilities System Revenue Bonds (the "Senior Lien Bonds"). The Subordinated Bonds (including the CP Notes) constitute "Subordinated Indebtedness" within the meaning of the Bond Resolution, and are junior and subordinate in all respects to the Senior Lien Bonds. See "*Security for the CP Notes*" below.

Security for the CP Notes.

Pursuant to the Bond Resolution, the City is authorized to issue Senior Lien Bonds secured by a pledge and assignment of (i) the proceeds of the sale of the Senior Lien Bonds, (ii) the Revenues (as defined in the Bond Resolution) derived by the City from the operation of the System and (iii) all funds established by the Bond Resolution (other than the Debt Service Reserve Account in the Debt Service Fund established pursuant to the Bond Resolution which

will secure only certain designated series of Senior Lien Bonds and any fund which may be established pursuant to the Bond Resolution for decommissioning and certain other specified purposes), including the investments and income, if any, thereof (collectively, the "Trust Estate"). As of the date of this Offering Memorandum, \$889,075,000 in aggregate principal of Senior Lien Bonds are outstanding under the Bond Resolution. Pursuant to the Bond Resolution, the City also is authorized to issue Subordinated Indebtedness which is payable out of, and may be secured by, amounts on deposit in the Subordinated Indebtedness Fund established under the Bond Resolution (the "Subordinated Indebtedness Fund") as may from time to time be available for the purpose of payment thereof. The Subordinated Bonds (including the CP Notes) constitute Subordinated Indebtedness within the meaning of the Bond Resolution. Pursuant to the Subordinated Resolution, subject to the satisfaction of the conditions contained therein, the City is authorized to issue additional Subordinated Indebtedness ("Parity Subordinated Indebtedness") on a parity, as to payment from amounts on deposit in the Subordinated Indebtedness Fund, with the Subordinated Bonds. As provided in the Resolution, any pledge and assignment and security interest in favor of the holders of Subordinated Indebtedness is subordinate in all respects to the pledge and assignment of the Trust Estate created by the Bond Resolution as security for the Senior Lien Bonds.

The CP Notes are direct and special obligations of the City payable from and secured by amounts in the [applicable Series Subaccount of the?] CP Note Payment Account held by the Issuing Agent and amounts in the [applicable Series Account of the?] Subordinated Indebtedness Fund held by U.S. Bank Trust National Association, as Trustee under the Bond Resolution. The security interest in and pledge of amounts held in the Subordinated Indebtedness Fund for the CP Notes (a) is subject and subordinate to the security interest in and pledge and assignment of the Trust Estate created by the Bond Resolution as security for the Senior Lien Bonds and (b) is on a parity with the Series A Bank Bond, the Series B Bank Bond and any additional Subordinated Bonds and Parity Subordinated Indebtedness which may be issued in the future.[**INCLUDE SPECIFIC ACCOUNT REFERENCES**]

THE CP NOTES SHALL NOT CONSTITUTE A GENERAL INDEBTEDNESS OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION OF INDEBTEDNESS, AND NO HOLDER OF ANY CP NOTE SHALL EVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF, AND INTEREST ON, THE CP NOTES. THE CP NOTES AND THE OBLIGATIONS EVIDENCED THEREBY DO NOT CONSTITUTE A LIEN ON ANY PROPERTY OF OR IN THE CITY, OTHER THAN THE CP NOTE PAYMENT ACCOUNT AND THE SUBORDINATED INDEBTEDNESS FUND.

The Book-Entry System.

DTC will act as securities depository for CP Notes to be issued in book-entry form. A single, fully-registered Series C Note and Series D Note have been issued and registered in the name of Cede & Co. (DTC's partnership nominee) in the respective aggregate principal amounts of the Series C Notes and the Series D Notes, to evidence all Series C Notes and Series D Notes, respectively, issued in book-entry form through DTC's book-entry system.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission (the "S.E.C."). More information about DTC can be found at www.dtcc.com.

Purchases of CP Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the CP Notes on DTC's records. The ownership interest of each actual purchaser of each CP Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the CP Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the CP Notes, except in the event that use of the book-entry system for the CP Notes is discontinued.

To facilitate subsequent transfers, securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of CP Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the CP Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such CP Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to securities deposited with DTC unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities as soon as possible after the "record date." The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts securities, such as the Series C Notes, are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the CP Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Issuing Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Issuing Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Issuing Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the CP Notes at any time by giving reasonable notice to the City or the Issuing Agent. Under such circumstances, in the event that a successor securities depository is not obtained, CP Note certificates will be printed and delivered.

The City may decide to discontinue the use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, CP Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources believed to be reliable but the City takes no responsibility for the accuracy thereof.

BANK LIQUIDITY ARRANGEMENTS

[INSERT DESCRIPTION OF BANK LIQUIDITY AGREEMENTS]

Under the Second Supplemental Resolution, the City has the right to substitute another liquidity support arrangement for the Agreement, but only if the City has received written confirmation from each rating agency then rating the CP Notes to the effect that such substitution

will not, by itself, result in a reduction or withdrawal of such rating agency's ratings of the CP Notes from those which then prevail.

The City has covenanted in the Second Supplemental Resolution that it will at all times maintain an available commitment under the Agreement (or a substitute liquidity support arrangement) equal to the principal of the outstanding CP Notes.

ADDITIONAL INFORMATION

For information with respect to the City and the System (including information regarding the history, organization and management of the System, its service areas, the operations of the System, the capital improvement programs for the System and the City's financial condition with respect to the System), reference is made to the Reoffering Memorandum dated November __, 2015 (the "2005/2006 Variable Rate Bonds Reoffering Memorandum") relating to the remarketing of \$27,565,000 aggregate principal amount of the City's Variable Rate Utilities System Revenue Bonds, 2005 Series C and \$18,410,000 aggregate principal amount of the City's Variable Rate Utilities System Revenue Bonds, 2006 Series A (collectively, the "2005/2006 Variable Rate Bonds"). The 2005/2006 Variable Rate Bonds Reoffering Memorandum is on file with the Municipal Securities Rulemaking Board (the "MSRB").

In connection with the issuance of certain series of its Senior Lien Bonds, the City covenanted, in accordance with the requirements of Rule 15c2-12 of the S.E.C. ("Rule 15c2-12"), to provide certain financial information and operating data relating to the System, including the financial statements of the City relating to the System for the preceding fiscal year (the "Annual Report"), by not later than six months after the end of each of the City's fiscal years (presently, by each March 31), and to provide notices of the occurrence of certain enumerated events with respect to the applicable series of Senior Lien Bonds, if material (the "Material Event Notices"). Each Annual Report will be filed by or on behalf of the City with the MSRB, and each Material Event Notice will be filed by or on behalf of the City with the MSRB. Subsequent to the date of this Offering Memorandum, the City may issue bonds, notes or other securities in connection with the System for which an official statement or other offering document may be filed with the MSRB (each such official statement or offering document being referred to herein as an "Additional Offering Document"), and the City may, in accordance with the requirements of Rule 15c2-12, covenant to provide to the MSRB certain financial information and operating data relating to the System on an annual basis with respect thereto (each such document providing financial information and operating data being referred to herein as an "Additional Annual Report"), and to provide notices of the occurrence of certain enumerated events with respect to such bonds, notes or other securities, if material (the "Additional Material Event Notices") to the MSRB.

During the period of the offering of the CP Notes, there is hereby deemed included in this Offering Memorandum by this reference (a) the 2005/2006 Variable Rate Bonds Reoffering Memorandum or the most recent Additional Offering Document, if any, of the City relating to the System filed with the MSRB, (b) the most recent Annual Report or Additional Annual Report, if any, of the City relating to the System filed with the MSRB existing as of the date thereof and (c) except to the extent superseded by an Additional Offering Document, Annual Report or Additional Annual Report, each Material Event Notice and Additional Material Event

Notice, if any, of the City relating to the System filed with the MSRB. Copies of the 2005/2006 Variable Rate Bonds Reoffering Memorandum, each Additional Offering Document, if any, each Annual Report or Additional Annual Report, if any, and each Material Event Notice or Additional Material Event Notice, if any, may be obtained from the MSRB.

Requests for additional information concerning the System should be directed to Justin M. Locke, Utility Chief Financial Officer, Gainesville Regional Utilities, P.O. Box 147117, Gainesville, Florida 32614-7117, Telephone (352) 334-3400, extension 1312.

TAX MATTERS

[On April 25, 2008, Orrick, Herrington & Sutcliffe LLP, New York, New York, Original Bond Counsel to the City ("Original Bond Counsel"), rendered its opinion to the effect that, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Series C Notes, when issued in accordance with the Subordinated Resolution, the Issuing and Paying Agency Agreement between the City and the Issuing Agent relating to the Series C Notes (the "Issuing and Paying Agency Agreement") and the Tax Certificate executed by the City on April 25, 2008 in connection with the Series C Notes (the "Tax Certificate"), will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Original Bond Counsel is of the further opinion that interest on the Series C Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Original Bond Counsel observes that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. On _____, Original Bond Counsel rendered its opinion that the Series D Notes are included in gross income for federal income tax purposes. A complete copy of the opinions of Original Bond Counsel with respect to the Series C Notes and the Series D Notes are set forth in APPENDIX A hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series C Notes. The City has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to insure that interest on the Series C Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series C Notes being included in gross income for federal income tax purposes, possibly from the first date after April 25, 2008 on which at least \$50,000 in aggregate principal amount of the Series C Notes were issued. The opinion of Original Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Original Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Original Bond Counsel's attention after the date of its opinion may adversely affect the value of, or the tax status of interest on, the Series C Notes. Accordingly, the opinion of Original Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Original Bond Counsel is of the opinion that interest on the Series C Notes will be excluded from gross income for federal income tax purposes, the ownership or disposition of,

or the accrual or receipt of interest on, the Series C Notes may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Original Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Series C Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. [As one example, on November 5, 2007, the United States Supreme Court heard an appeal from a Kentucky state court which ruled that the United States Constitution prohibited the state from providing a tax exemption for interest on bonds issued by the state and its political subdivisions but taxing interest on obligations issued by other states and their political subdivisions.] The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series C Notes. Prospective purchasers of the Series C Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Original Bond Counsel expresses no opinion.

The opinions of Original Bond Counsel was based on current legal authority as of the date of the opinion, covers certain matters not directly addressed by such authorities, and represents Original Bond Counsel's judgment as to the proper treatment of the CP Notes for federal income tax purposes. They are not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Original Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Unless separately engaged, Original Bond Counsel is not obligated to defend the City or the Beneficial Owners regarding the tax-exempt status of the Series C Notes in the event of an audit examination by the IRS. Under current procedures, parties other than the City and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series C Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series C Notes, and may cause the City or the Beneficial Owners to incur significant expense.

FLORIDA SECURITIES LAWS

Florida law provides that securities issued by any state or any political subdivision thereof are subject to registration with the Florida Department of Banking and Finance, Division of Securities and Investor Protection if the issuer is in default or has been in default at any time after December 31, 1975 as to principal and interest with respect to any obligation issued by such

issuer, unless the offering circular contains full and fair disclosure concerning the circumstances of such default and financial statements of the issuer for the last two fiscal years. However, the issuer is not required to make such disclosures or include such financial statements if it in good faith believes that such information would not be considered material by a reasonable investor. There has been a default with respect to non-recourse industrial development bonds issued by the City on behalf of a private entity, by reason of nonpayment of debt service by the private entity. Such default is unrelated to the credit of the City or the System; therefore, the City does not consider that disclosures relating to such default are material to prospective purchasers of the CP Notes. In addition, the CP Notes are not secured by the full faith and credit and taxing power of the City; therefore, the City does not consider that disclosure of its financial statements (other than those with respect to the System) would be appropriate or material to prospective purchasers of the CP Notes.

AVAILABLE INFORMATION

The City will make available upon request copies of its most recent audited financial statements with respect to the System; requests should be directed to (352) 334-3400, extension 1311.

RATINGS

| | <u>Moody's</u> | <u>Standard & Poor's</u> |
|--|----------------|------------------------------|
| Commercial Paper Notes, Series C and Series D: | P-1 | A-1 |
| Utilities System Revenue Bonds: | Aa2 | AA |

November __, 2015

APPENDIX A

OPINIONS OF ORIGINAL BOND COUNSEL