

RESOLUTION NO. 090351
PASSED SEPTEMBER 3, 2009

A RESOLUTION INCORPORATING BY REFERENCE AND ADOPTING, AND AUTHORIZING THE EXECUTION AND DELIVERY OF, (A) A TWENTY-FIRST SUPPLEMENTAL UTILITIES SYSTEM REVENUE BOND RESOLUTION FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF NOT TO EXCEED \$25,000,000 OF THE CITY OF GAINESVILLE, FLORIDA'S UTILITIES SYSTEM REVENUE BONDS, 2009 SERIES A (FEDERALLY TAXABLE) IN ORDER TO PROVIDE MONEYS (1) FOR THE PAYMENT OF A PORTION OF THE COST OF ACQUISITION AND CONSTRUCTION OF THE CITY'S COMBINED UTILITIES SYSTEM AND (2) TO REFUND THE CITY'S OUTSTANDING UTILITIES SYSTEM COMMERCIAL PAPER NOTES, SERIES D, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH AND (B) A TWENTY-SECOND SUPPLEMENTAL UTILITIES SYSTEM REVENUE BOND RESOLUTION FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF NOT TO EXCEED \$180,000,000 OF THE CITY'S UTILITIES SYSTEM REVENUE BONDS, 2009 SERIES B (FEDERALLY TAXABLE – ISSUER SUBSIDY – BUILD AMERICA BONDS) AND/OR THE CITY'S UTILITIES SYSTEM REVENUE BONDS, 2009 SERIES C IN ORDER TO PROVIDE MONEYS FOR THE PAYMENT OF A PORTION OF THE COST OF ACQUISITION AND CONSTRUCTION OF THE CITY'S COMBINED UTILITIES SYSTEM, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; APPROVING THE NEGOTIATED SALE OF THE 2009 SERIES A, B AND C BONDS AND APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF A CONTRACT OF PURCHASE WITH RESPECT THERETO, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF A CONTINUING DISCLOSURE CERTIFICATE WITH RESPECT TO THE 2009 SERIES A, B AND C BONDS; AUTHORIZING THE AUTHENTICATION AND DELIVERY OF THE 2009 SERIES A, B AND C BONDS; APPROVING THE FORM AND USE OF THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT RELATING TO THE 2009 SERIES A, B AND C BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID OFFICIAL STATEMENT; AUTHORIZING THE REGISTRATION OR QUALIFICATION OF THE 2009 SERIES A, B AND C BONDS UNDER THE BLUE SKY LAWS OF VARIOUS STATES; AUTHORIZING CERTAIN CITY OFFICIALS TO TAKE OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE 2009 SERIES A, B AND C BONDS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA:

SECTION 1. Authority for this Resolution. This resolution is adopted pursuant to the provisions of the Charter of the City, Chapter 90-394, Laws of Florida, 1990, as

amended, Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law.

SECTION 2. Definitions. Unless the context otherwise requires, the terms defined in this section shall have the meanings specified in this section. Reference is made to the Bond Resolution hereinafter referred to and to the Twenty-First Supplemental Resolution and the Twenty-Second Supplemental Resolution herein authorized, and attached hereto, for definitions of terms used in this resolution which are not defined in this section. Words importing a singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

A. “Bond Resolution” shall mean the Utilities System Revenue Bond Resolution of the City adopted on June 6, 1983, as heretofore amended, restated and supplemented.

B. “City” shall mean the City of Gainesville, Florida.

C. “Continuing Disclosure Certificate” shall mean the Continuing Disclosure Certificate to be executed in connection with the issuance of the 2009 Series A, B and C Bonds, relating to the provision of certain continuing disclosure information with respect to the System and such Bonds.

D. “Contract of Purchase” shall mean the Contract of Purchase relating to the 2009 Series A, B and C Bonds to be entered into between the City and the Underwriters.

E. “Official Statement” shall mean the Official Statement of the City relating to the 2009 Series A, B and C Bonds referred to in Section 9 hereof.

F. “Preliminary Official Statement” shall mean the Preliminary Official Statement of the City relating to the 2009 Series A, B and C Bonds referred to in Section 9 hereof.

G. “Rule 15c2-12” shall mean Rule 15c2-12, as amended, promulgated by the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

H. “Supplemental Resolutions” shall mean the Twenty-First Supplemental Resolution and the Twenty-Second Supplemental Resolution, collectively.

I. “Twenty-First Supplemental Resolution” shall mean the Twenty-First Supplemental Utilities System Revenue Bond Resolution of the City, which is attached hereto as Exhibit B and incorporated herein by reference for all purposes of this resolution.

J. “Twenty-Second Supplemental Resolution” shall mean the Twenty-Second Supplemental Utilities System Revenue Bond Resolution of the City, which is attached hereto as Exhibit C and incorporated herein by reference for all purposes of this resolution.

K. “Underwriters” shall mean the Underwriters named in the Contract of Purchase.

L. “2009 Series A, B and C Bonds” shall mean the 2009 Series A Bonds, the 2009 Series B Bonds and the 2009 Series C Bonds, collectively.

M. “2009 Series A Bonds” shall mean the City’s Utilities System Revenue Bonds, 2009 Series A (Federally Taxable), authorized by Section 5(A) of this resolution and Article II of the Twenty-First Supplemental Resolution.

N. “2009 Series B Bonds” shall mean the City’s Utilities System Revenue Bonds, 2009 Series B (Federally Taxable – Issuer Subsidy – Build America Bonds), authorized by Section 5(B) of this resolution and Article II of the Twenty-Second Supplemental Resolution.

O. “2009 Series C Bonds” shall mean the City’s Utilities System Revenue Bonds, 2009 Series C, authorized by Section 5(C) of this resolution and Article III of the Twenty-Second Supplemental Resolution.

SECTION 3. Findings. It is hereby ascertained, determined and declared

that:

A. Pursuant to the Bond Resolution, the City may issue Bonds from time to time for the purpose, among others, of paying all or a portion of the Cost of Acquisition and Construction of the System (including paying when due (whether at the maturity of principal or the due date of interest or upon redemption) any indebtedness of the City, including Subordinated Indebtedness, incurred in respect of the payment of such Cost of Acquisition and Construction).

B. The City's capital improvement program for the System contemplates the issuance of Bonds from time to time to finance a portion of the Cost of Acquisition and Construction of the System.

C. The City heretofore has issued its Utilities System Commercial Paper Notes, Series D (the "Series D CP Notes") for the purpose of financing a portion of the Cost of Acquisition and Construction of the System. The Series D CP Notes constitute "Subordinated Indebtedness" as such term is defined in the Bond Resolution, and currently are outstanding in the aggregate principal amount of \$14,000,000, and the City deems it necessary and in its best interests to refund the Series D CP Notes with proceeds of the 2009 Series A Bonds. The refunding of the Series D CP Notes will be advantageous to the City, by reducing the City's exposure to changes in short-term interest rates while converting the interest rates on a portion of its outstanding debt to fixed interest rates that are near historically low levels.

D. The City deems it necessary and in its best interests to issue and sell the 2009 Series A, B and C Bonds for the purpose of providing for the payment of a portion of the Cost of Acquisition and Construction of the System, including the payment when due of the Series D CP Notes as aforesaid.

E. Paragraph (b)(5) of Rule 15c2-12 provides that, except as otherwise permitted thereby, a broker, dealer or municipal securities dealer shall not purchase or sell municipal securities in the primary offering thereof unless such broker, dealer or municipal securities dealer has reasonably determined that the issuer of such securities or certain other persons has undertaken, in a written agreement or contract for the benefit of the holders of such securities, to provide certain continuing disclosure information specified in said Rule. Accordingly, the City deems it necessary and in its best interests to authorize the execution and delivery of, and the performance of the City's obligations under, a Continuing Disclosure Certificate with respect to the 2009 Series A, B and C Bonds, in order to assist the Underwriters in complying with Rule 15c2-12.

F. The complexity of the structuring of the 2009 Series A, B and C Bonds and current conditions in the market for obligations such as the 2009 Series A, B and C Bonds, as described in a letter from the City's financial advisor, dated August 31, 2009 and attached hereto as Exhibit A, make it necessary and in the best interests of the City that the 2009 Series A, B and C Bonds be sold on a negotiated basis.

SECTION 4. Adoption of Supplemental Resolutions. The Twenty-First Supplemental Resolution, attached hereto as Exhibit B, is hereby approved and adopted. The Twenty-Second Supplemental Resolution, attached hereto as Exhibit C, is hereby approved and adopted. Such resolutions shall be executed and delivered as provided in Section 11 hereof.

SECTION 5. Authorization of the Issuance, Sale, Execution and Delivery of the 2009 Series A, B and C Bonds; Delegation of Authority to Determine Certain Matters in Connection Therewith. A. There are hereby authorized the issuance and sale of a Series of Bonds designated as the "Utilities System Revenue Bonds, 2009 Series A (Federally Taxable)", for the purpose of providing for the payment of a portion of the Cost of Acquisition

and Construction of the System that cannot, under applicable federal income tax laws and regulations, be financed on a tax-exempt basis, including to provide moneys needed to provide for the payment when due of the Series D CP Notes. The 2009 Series A Bonds shall be issued pursuant to the Bond Resolution in an aggregate principal amount not to exceed \$25,000,000. The actual aggregate principal amount of the 2009 Series A Bonds, the respective dates on which the 2009 Series A Bonds shall mature, the respective principal amounts of the 2009 Series A Bonds maturing on each such date, the respective rate or rates of interest to be borne by the 2009 Series A Bonds maturing on each such date and, if any 2009 Series A Bonds maturing on a particular date and bearing interest at a particular rate are to be issued as term bonds subject to mandatory redemption to satisfy Sinking Fund Installments, the due dates and amounts of such Sinking Fund Installments shall be determined as provided in Section 2.03 of the Twenty-First Supplemental Resolution; *provided, however*, that (a) the latest maturity date for the 2009 Series A Bonds shall be not later than October 1, 2029, (b) the maximum rate of interest to be borne by the 2009 Series A Bonds maturing on any date shall not exceed 7.00% per annum and (c) the spread over the “Treasury Rate” referred to in the Twenty-First Supplemental Resolution to be used to determine the price at which the 2009 Series A Bonds may be redeemed at the election of the City shall not be less than 0.10% nor greater than 1.00%.

B. There are hereby authorized the issuance and sale of a Series of Bonds designated as the “Utilities System Revenue Bonds, 2009 Series B (Federally Taxable – Issuer Subsidy – Build America Bonds)”, for the purpose of providing for the payment of a portion of the Cost of Acquisition and Construction of the System. The 2009 Series B Bonds shall be issued pursuant to the Bond Resolution in an aggregate principal amount which, when combined with the aggregate principal amount of the 2009 Series C Bonds to be issued, as determined pursuant to paragraph (C) of this Section 5, shall not exceed \$180,000,000. The actual aggregate

principal amount of the 2009 Series B Bonds, the respective dates on which the 2009 Series B Bonds shall mature, the respective principal amounts of the 2009 Series B Bonds maturing on each such date, the respective rate or rates of interest to be borne by the 2009 Series B Bonds maturing on each such date and, if any 2009 Series B Bonds maturing on a particular date and bearing interest at a particular rate are to be issued as term bonds subject to mandatory redemption to satisfy Sinking Fund Installments, the due dates and amounts of such Sinking Fund Installments shall be determined as provided in Section 2.03 of the Twenty-Second Supplemental Resolution; *provided, however*, that (a) the latest maturity date for the 2009 Series B Bonds shall be not later than October 1, 2039, (b) the maximum rate of interest to be borne by the 2009 Series B Bonds maturing on any date shall not exceed 7.00% per annum and (c) the spread over the “Treasury Rate” referred to in the Twenty-Second Supplemental Resolution to be used to determine the price at which the 2009 Series B Bonds may be redeemed at the election of the City shall not be less than 0.10% nor greater than 1.00%.

C. There are hereby authorized the issuance and sale of a Series of Bonds designated as the “Utilities System Revenue Bonds, 2009 Series C”, for the purpose of providing for the payment of a portion of the Cost of Acquisition and Construction of the System. The 2009 Series C Bonds shall be issued pursuant to the Bond Resolution in an aggregate principal amount which, when combined with the aggregate principal amount of the 2009 Series B Bonds to be issued, as determined pursuant to paragraph (B) of this Section 5, shall not exceed \$180,000,000. The actual aggregate principal amount of the 2009 Series C Bonds, the respective dates on which the 2009 Series C Bonds shall mature, the respective principal amounts of the 2009 Series C Bonds maturing on each such date, the respective rate or rates of interest to be borne by the 2009 Series C Bonds maturing on each such date and, if any 2009 Series C Bonds maturing on a particular date and bearing interest at a particular rate are to be issued as term

bonds subject to mandatory redemption to satisfy Sinking Fund Installments, the due dates and amounts of such Sinking Fund Installments shall be determined as provided in Section 3.03 of the Twenty-Second Supplemental Resolution; *provided, however*, that (a) the latest maturity date for the 2009 Series C Bonds shall be not later than October 1, 2039, (b) the maximum rate of interest to be borne by the 2009 Series C Bonds maturing on any date shall not exceed 6.00% per annum and (c) the earliest date on which the 2009 Series C Bonds may be redeemed at the election of the City shall be not later than October 1, 2024, and the highest redemption price at which the 2009 Series C Bonds may be so redeemed shall be not greater than 103% of the principal amount thereof, plus accrued interest to the date of redemption; and *provided, further*, that no 2009 Series C Bonds maturing on a particular date shall be issued unless the General Manager for Utilities of the City, or his designee, shall determine that the issuance of such 2009 Series C Bonds maturing on such date will result in a lower true interest cost to the City than would have been the case if the City had issued 2009 Series B Bonds maturing on such date in the same principal amount, taking into account the 35% cash subsidy payment from the United States Treasury that the City would be eligible to receive pursuant to Section 54AA(g) of the Internal Revenue Code of 1986 if it had issued such 2009 Series B Bonds maturing on such date, which determination shall be confirmed by the City's financial advisor.

D. The 2009 Series A, B and C Bonds shall be executed and delivered as provided in Section 11 hereof.

SECTION 6. Authorization and Approval of the Negotiated Sale of the 2009 Series A, B and C Bonds and Execution of the Contract of Purchase; Delegation of Authority to Determine Certain Matters in Connection Therewith. The terms and conditions set forth in the Contract of Purchase between the City and the Underwriters, providing for the negotiated sale and purchase of the 2009 Series A, B and C Bonds, in substantially the

form of the contract attached hereto as Exhibit D, are hereby approved. The purchase price of the 2009 Series A Bonds to be paid by the Underwriters pursuant to the Contract of Purchase shall be determined as provided in Section 2.03 of the Twenty-First Supplemental Resolution; *provided, however*, that the true interest cost for the 2009 Series A Bonds shall not exceed 6.25%; the purchase price of the 2009 Series B Bonds to be paid by the Underwriters pursuant to the Contract of Purchase shall be determined as provided in Section 2.03 of the Twenty-Second Supplemental Resolution; *provided, however*, that the true interest cost for the 2009 Series B Bonds shall not exceed 4.75%, taking into account the 35% cash subsidy payment from the United States Treasury that the City will be eligible to receive pursuant to Section 54AA(g) of the Internal Revenue Code of 1986; and the purchase price of the 2009 Series C Bonds to be paid by the Underwriters pursuant to the Contract of Purchase shall be determined as provided in Section 3.03 of the Twenty-Second Supplemental Resolution; *provided, however*, that the true interest cost for the 2009 Series C Bonds shall not exceed 5.50%. The Contract of Purchase shall be executed and delivered as provided in Section 11 hereof; *provided, however*, that at or prior to the time of the execution and delivery of the Contract of Purchase, the City shall have received from J.P. Morgan Securities Inc., as representative of the Underwriters, the disclosure statement required pursuant to Section 218.385(6), Florida Statutes.

SECTION 7. Approval of the Continuing Disclosure Certificate. The terms and conditions set forth in the Continuing Disclosure Certificate, in substantially the form of the certificate attached as Appendix G to the draft of the Preliminary Official Statement attached hereto as Exhibit E, are hereby approved. The Continuing Disclosure Certificate shall be executed and delivered as provided in Section 11 hereof.

SECTION 8. Authorization of Authentication. U.S. Bank Trust National Association, as Trustee under the Bond Resolution, is hereby requested and authorized to

authenticate the 2009 Series A, B and C Bonds in the respective aggregate principal amounts determined as provided in Section 5 hereof, in Section 2.03 of the Twenty-First Supplemental Resolution and in Sections 2.03 and 3.03 of the Twenty-Second Supplemental Resolution, and to deliver such Bonds to or on behalf of the Underwriters, upon payment for the account of the City of the sum to be specified in the Contract of Purchase and pursuant to the terms of the Bond Resolution and the Contract of Purchase.

SECTION 9. Approval of the Form and Use of the Preliminary Official Statement and the Official Statement. The Preliminary Official Statement, in substantially the form of the draft thereof attached hereto as Exhibit E, with such changes thereto as are necessary so that so that such Preliminary Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, is hereby authorized and approved for use in connection with the offering and sale of the 2009 Series A, B and C Bonds, and the General Manager for Utilities or the Chief Financial Officer, Utilities of the City is hereby authorized to deem said Preliminary Official Statement final for purposes of Rule 15c2-12. The Official Statement, in substantially the form of said Preliminary Official Statement, with such changes as may be made thereto by the City, with the approval of J.P. Morgan Securities Inc., as representative of the Underwriters, under and pursuant to the terms of the Contract of Purchase, is hereby authorized and approved for use in connection with the offering and sale of the 2009 Series A, B and C Bonds. Said Official Statement shall be executed as provided in Section 11 hereof.

SECTION 10. Approval With Respect to Registration or Qualification of the 2009 Series A, B and C Bonds Under the Blue Sky or Securities Laws of Various States. The proper officers of the City shall be, and hereby are, authorized in the name and on behalf of

the City, to take any and all actions which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the 2009 Series A, B and C Bonds for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further actions which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters; and all such actions previously taken are hereby ratified, confirmed and approved.

SECTION 11. Execution and Delivery of 2009 Series A, B and C Bonds and Related Documents. The Mayor of the City is hereby authorized to execute the Supplemental Resolutions and the 2009 Series A, B and C Bonds on behalf of the City, subject to the approval of the City Attorney of the City or his designee as to form and legality; *provided, however,* that the 2009 Series A, B and C Bonds shall be executed and delivered pursuant to the Bond Resolution and applicable law. The Mayor, the General Manager for Utilities and the Chief Financial Officer, Utilities of the City are each hereby authorized to execute the Contract of Purchase, the Continuing Disclosure Certificate and the Official Statement on behalf of the City, each subject to completion thereof, and with such changes therein as the officer executing the same may approve as necessary and desirable and in the best interests of the City, such approval to be evidenced by the execution and delivery thereof, subject to the approval of the City Attorney of the City or his designee as to form and legality. The Clerk of the Commission of the City is hereby authorized to cause the seal of the City to be affixed to each of the 2009

Series A, B and C Bonds and the foregoing documents and to attest the same. Such officers are each hereby authorized to deliver such Bonds and documents on behalf of the City.

SECTION 12. Further Actions. Each Authorized Officer of the City is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all such acts and things as may be necessary or desirable in connection with the adoption of the Supplemental Resolutions and the approval, execution and delivery of the Contract of Purchase and the Continuing Disclosure Certificate and the carrying out of their terms and the terms of the Bond Resolution; the issuance, sale, execution and delivery of the 2009 Series A, B and C Bonds; and the use of the Preliminary Official Statement and the Official Statement. Without limiting the generality of the foregoing, the General Manager for Utilities of the City, or his designee, is hereby authorized to execute the certificates referred to in Section 2.03 of the Twenty-First Supplemental Resolution and in Sections 2.03 and 3.03 of the Twenty-Second Supplemental Resolution in order to evidence the determinations referred to in Sections 5 and 6 hereof.

SECTION 13. Severability. If any one or more of the covenants, agreements or provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way effect the validity or enforceability of such remaining provisions.

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SECTION 14. Effective Date. This resolution shall take effect immediately upon its adoption.

Dated this third day of September A.D., 2009.

Mayor

ATTEST:

Clerk of the Commission

Approved as to Form and Legality:

By _____
City Attorney

INDEX OF EXHIBITS

- EXHIBIT A – Letter of Public Financial Management, Inc., Financial Advisor to the System
- EXHIBIT B – Twenty-First Supplemental Resolution
- EXHIBIT C – Twenty-Second Supplemental Resolution
- EXHIBIT D – Form of Contract of Purchase
- EXHIBIT E – Draft of Preliminary Official Statement