

**RESOLUTION NO. 070862
PASSED JANUARY 28, 2008**

A RESOLUTION INCORPORATING BY REFERENCE AND ADOPTING, AND AUTHORIZING THE EXECUTION AND DELIVERY OF (A) A NINETEENTH SUPPLEMENTAL UTILITIES SYSTEM REVENUE BOND RESOLUTION FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF NOT TO EXCEED \$105,000,000 OF THE CITY OF GAINESVILLE, FLORIDA'S UTILITIES SYSTEM REVENUE BONDS, 2008 SERIES A (FEDERALLY TAXABLE) 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 AND (B) A TWENTIETH SUPPLEMENTAL UTILITIES SYSTEM REVENUE BOND RESOLUTION FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF \$90,000,000 OF THE CITY'S VARIABLE RATE UTILITIES SYSTEM REVENUE BONDS, 2008 SERIES B 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, INCLUDING CERTAIN CAPITALIZED INTEREST WITH RESPECT TO THE 2008 SERIES B BONDS; APPROVING THE NEGOTIATED SALE OF THE 2008 SERIES A 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 NEGOTIATED SALE OF THE 2008 SERIES B BONDS AND APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF A CONTRACT OF PURCHASE WITH RESPECT THERETO; APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF CONTINUING DISCLOSURE CERTIFICATES WITH RESPECT TO THE 2008 SERIES A AND B BONDS; APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF A REMARKETING AGREEMENT, A TENDER AGENCY AGREEMENT AND A STANDBY BOND PURCHASE AGREEMENT WITH RESPECT TO THE 2008 SERIES B BONDS; DELEGATING THE AUTHORITY TO PROCURE MUNICIPAL BOND INSURANCE FOR ALL OR A PORTION OF THE 2008 SERIES A BONDS; AUTHORIZING THE AUTHENTICATION AND DELIVERY OF THE 2008 SERIES A AND B BONDS; APPROVING THE FORM AND USE OF THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT RELATING TO THE 2008 SERIES A BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID OFFICIAL STATEMENT; APPROVING FORM AND USE OF THE OFFICIAL STATEMENT RELATING TO THE 2008 SERIES B BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID OFFICIAL STATEMENT; AUTHORIZING THE REGISTRATION OR QUALIFICATION OF THE 2008 SERIES A AND B BONDS UNDER THE BLUE SKY LAWS OF VARIOUS STATES; APPROVING THE DESIGNATION OF CERTAIN INTEREST RATE SWAP TRANSACTIONS AS "QUALIFIED HEDGING CONTRACTS" WITHIN THE MEANING OF THE CITY'S UTILITIES SYSTEM REVENUE BOND RESOLUTION AND APPROVING THE SECURING OF THE CITY'S PAYMENT OBLIGATIONS

THEREUNDER; AUTHORIZING CERTAIN CITY OFFICIALS TO TAKE OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE 2008 SERIES A AND B BONDS; AUTHORIZING THE EXTENSION OR SUBSTITUTION OF THE LIQUIDITY FACILITY FOR THE 2008 SERIES B BONDS; AUTHORIZING THE REMOVAL OF THE REMARKETING AGENT AND/OR THE TENDER AGENT FOR THE 2008 SERIES B BONDS AND APPOINTMENT OF SUCCESSOR(S) THEREFOR; 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 Nineteenth Supplemental Resolution and the Twentieth 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. "Bank" shall mean The Bank of New York.

B. "Bear Swap Transaction" shall mean the interest rate swap transaction entered into between the City and Bear Stearns Financial Products Inc. ("BSFP") on October 23, 2006 relating to a Series of Variable Rate Bonds proposed to be issued by the City on or about February 1, 2008 and documented pursuant to that certain ISDA Master Agreement, dated as of September 21, 2005, between the City and BSFP, including the Schedule thereto, and the Confirmation, dated as of October 23, 2006, between the City and BSFP, as such Confirmation has been or hereafter may be amended.

C. “Bond Insurance Policy” shall mean, in the event that the General Manager for Utilities of the City, or her designee, determines that the procurement of municipal bond insurance for one or more maturities of the 2008 Series A Bonds is advantageous to the City, as provided in Section 13 hereof, the insurance policy or policies to be issued by the Bond Insurer concurrently with the issuance of the 2008 Series A Bonds, guaranteeing the scheduled payment of principal of and interest on the Insured 2008 Series A.

D. “Bond Insurer” shall mean Financial Security Assurance Inc., a New York stock insurance company.

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

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

G. “Continuing Disclosure Certificates” shall mean the Continuing Disclosure Certificate to be executed in connection with the issuance of the 2008 Series A Bonds and, if applicable, the Continuing Disclosure Certificate to be executed in connection with the conversion of the 2008 Series B Bonds to the Auction Mode, the Term Mode or the Fixed Mode, in either such case, relating to the provision of certain continuing disclosure information with respect to the System and such Bonds.

H. “Contracts of Purchase” shall mean the 2008 Series A Contract of Purchase and the 2008 Series B Contract of Purchase, collectively.

I. “Deerhaven 2” shall mean Unit 2 of the City’s Deerhaven Generating Station.

J. “Initial Liquidity Facility” shall mean the Standby Bond Purchase Agreement Relating to Variable Rate Utilities System Revenue Bonds, 2008 Series B, to be dated as of February 1, 2008, between the City and the Bank.

K. “Insured 2008 Series A Bonds” shall mean such maturity or maturities of the 2008 Series A Bonds (or the 2008 Series A Bonds of a particular maturity bearing interest at a particular rate) as the General Manager for Utilities of the City, or her designee, determines shall be insured by the Bond Insurer pursuant to Section 13 hereof.

L. “JPMorgan Chase Swap Transaction” shall mean the interest rate swap transaction entered into between the City and JPMorgan Chase Bank, N.A. (“JPMorgan Chase”) on October 23, 2006 relating to a Series of Variable Rate Bonds proposed to be issued by the City on or about February 1, 2008 and documented pursuant to that certain ISDA Master Agreement, dated as of March 20, 2003, between the City and JPMorgan Chase, including the Schedule thereto, and the Confirmation, dated as of November 16, 2006, between the City and JPMorgan Chase, as such Confirmation has been or hereafter may be amended.

M. “Nineteenth Supplemental Resolution” shall mean the Nineteenth 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.

N. “Official Statements” shall mean the 2008 Series A Official Statement and the 2008 Series B Official Statement, collectively.

O. “Remarketing Agreement” shall mean the Remarketing Agreement, to be dated as of February 1, 2008, between the City and Goldman, Sachs & Co.

P. “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.

Q. “Supplemental Resolutions” shall mean the Nineteenth Supplemental Resolution and the Twentieth Supplemental Resolution, collectively.

R. “Swap Transactions” shall mean the Bear Swap Transaction and the JPMorgan Chase Swap Transaction, collectively.

S. “Tender Agency Agreement” shall mean the Tender Agency Agreement Relating to Variable Rate Utilities System Revenue Bonds, 2008 Series B, to be dated as of February 1, 2008, between the City and U.S. Bank Trust National Association.

T. “Twentieth Supplemental Resolution” shall mean the Twentieth 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.

U. “2008 Series A and B Bonds” shall mean the 2008 Series A Bonds and the 2008 Series B Bonds, collectively.

V. “2008 Series A Bonds” shall mean the City’s Utilities System Revenue Bonds, 2008 Series A (Federally Taxable), authorized by Section 5 of this resolution and Article II of the Nineteenth Supplemental Resolution.

W. “2008 Series A Contract of Purchase” shall mean the Contract of Purchase relating to the 2008 Series A Bonds to be entered into between the City and the 2008 Series A Underwriters.

X. “2008 Series A Official Statement” shall mean the Official Statement of the City relating to the 2008 Series A Bonds referred to in Section 15 hereof.

Y. “2008 Series A Preliminary Official Statement” shall mean the Preliminary Official Statement of the City relating to the 2008 Series A Bonds referred to in Section 15 hereof.

Z. “2008 Series A Underwriters” shall mean the Underwriters named in the 2008 Series A Contract of Purchase.

AA. “2008 Series B Bonds” shall mean the City’s Variable Rate Utilities System Revenue Bonds, 2008 Series B, authorized by Section 7 of this resolution and Article II of the Twentieth Supplemental Resolution.

BB. “2008 Series B Contract of Purchase” shall mean the Contract of Purchase relating to the 2008 Series B Bonds to be entered into between the City and the 2008 Series B Underwriter.

CC. “2008 Series B Official Statement” shall mean the Official Statement of the City relating to the 2008 Series B Bonds referred to in Section 16 hereof.

DD. “2008 Series B Underwriter” shall mean Goldman, Sachs & Co., in its capacity as underwriter for the 2008 Series B Bonds.

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.

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 deems it necessary and in its best interests to issue and sell the 2008 Series A and B Bonds for the purpose of providing for the payment of a portion of the Cost of Acquisition and Construction of the System (including, in the case of the 2008 Series B

Bonds, a portion of the interest to accrue with respect thereto through October 1, 2009, taking into account amounts payable under the Swap Transactions).

D. The City deems it desirable and in its best interests that the 2008 Series B Bonds be issued in the form of variable rate demand obligations.

E. Since the 2008 Series B Bonds will be subject to optional and mandatory tender for purchase under certain circumstances, the City deems it necessary and desirable and in its best interests to appoint (1) U.S. Bank Trust National Association as the initial Tender Agent for the 2008 Series B Bonds and (2) Goldman, Sachs & Co. as the initial Remarketing Agent for the 2008 Series B Bonds.

F. In order to provide liquidity support in connection with tenders for purchase of the 2008 Series B Bonds, the City deems it necessary and desirable and in its best interests to enter into the Initial Liquidity Facility with the Bank.

G. 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. In accordance with Rule 15c2-12, the foregoing requirement does not apply to municipal securities issued in the form of variable rate demand obligations (such as the 2008 Series B Bonds) until such time, if any, as such securities (1) no longer are issued in minimum denominations of \$100,000 or (2) no longer are subject to tender for redemption or purchase at the option of the holders thereof at least as frequently as every 9 months. 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, (1) a Continuing Disclosure Certificate with respect to the 2008 Series A Bonds, in order to assist the 2008 Series A Underwriters in complying with Rule 15c2-12 and (2) at such time, if any, as the 2008 Series B Bonds shall be converted to the Auction Mode, the Term Mode or the Fixed Mode, a Continuing Disclosure Certificate with respect to the 2008 Series B Bonds, in order to assist any "participating underwriter" (as such term is defined in Rule 15c2-12) that may be offering the 2008 Series B Bonds for sale at or after the time of such conversion in complying with Rule 15c2-12.

H. Insofar as the procurement of municipal bond insurance for all or a portion of the 2008 Series A Bonds may reduce the true interest cost to the City of the 2008 Series A Bonds, the City deems it necessary and in its best interests to delegate to the General Manager for Utilities of the City, or her designee, the authority to determine whether it is in the economic interests of the City to insure one or more maturities of the 2008 Series A Bonds (or the 2008 Series A Bonds of a particular maturity bearing interest at a particular rate). In the event that the General Manager for Utilities of the City, or her designee, determines that it is in the economic interests of the City to insure one or more maturities of the 2008 Series A Bonds (or the 2008 Series A Bonds of a particular maturity bearing interest at a particular rate), the City deems it necessary and in its best interests to delegate to the General Manager for Utilities of the City, or her designee, the authority to procure the Bond Insurance Policy from the Bond Insurer to insure the payment when due of the Insured 2008 Series A Bonds.

I. The complexity of the structuring of the 2008 Series A and B Bonds and current conditions in the market for obligations such as the 2008 Series A and B Bonds, as described in a letter from the City's financial advisor, dated the date hereof and attached hereto as Exhibit A, make it necessary and in the best interests of the City that the 2008 Series A and B Bonds be sold on a negotiated basis.

J. Insofar as each of the Swap Transactions is hereby determined to satisfy the conditions set forth in clauses (i) and (ii) of the definition of “Qualified Hedging Contract” contained in Section 101 of the Bond Resolution, the City deems it desirable and in its best interests that (1) each of the Swap Transactions be designated as a Qualified Hedging Contract within the meaning of the Bond Resolution, (2) the obligation of the City to make scheduled payments under each of the Swap Transactions be and constitute a “Parity Hedging Contract Obligation” within the meaning of the Bond Resolution and (3) the obligation of the City to make any termination payments under each of the Swap Transactions be and constitute a “Subordinated Hedging Contract Obligation” within the meaning of the Bond Resolution.

SECTION 4. Adoption of Supplemental Resolutions. The Nineteenth Supplemental Resolution, attached hereto as Exhibit B, is hereby approved and adopted. The Twentieth Supplemental Resolution, attached hereto as Exhibit C, is hereby approved and adopted. Such resolutions shall be executed and delivered as provided in Section 18 hereof.

SECTION 5. Authorization of the Issuance, Sale, Execution and Delivery of the 2008 Series A Bonds; Delegation of Authority to Determine Certain Matters in Connection Therewith. There are hereby authorized the issuance and sale of a Series of Bonds designated as the “Utilities System Revenue Bonds, 2008 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, including, without limitation, monies needed for payment of the Cost of Acquisition and Construction of certain air quality control systems for Deerhaven 2 that cannot be financed on a tax-exempt basis. The 2008 Series A Bonds shall be issued pursuant to the Bond Resolution in an aggregate principal amount not to exceed \$105,000,000. The actual aggregate principal amount of the 2008 Series A Bonds, the respective dates on which the 2008 Series A Bonds shall mature, the respective principal amounts of the 2008 Series A Bonds maturing on each such date,

the respective rate or rates of interest to be borne by the 2008 Series A Bonds maturing on each such date and, if any 2008 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 Nineteenth Supplemental Resolution; *provided, however,* that (a) the latest maturity date for the 2008 Series A Bonds shall be not later than October 1, 2026, (b) the maximum rate of interest to be borne by the 2008 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 Nineteenth Supplemental Resolution to be used to determine the price at which the 2008 Series A Bonds may be redeemed at the election of the City shall not exceed 1.00%.

The 2008 Series A Bonds shall be executed and delivered as provided in Section 18 hereof.

SECTION 6. Authorization and Approval of the Negotiated Sale of the 2008 Series A Bonds and Execution of the 2008 Series A Contract of Purchase; Delegation of Authority to Determine Certain Matters in Connection Therewith. The terms and conditions set forth in the 2008 Series A Contract of Purchase between the City and the 2008 Series A Underwriters, providing for the negotiated sale and purchase of the 2008 Series A Bonds, in substantially the form of the contract attached hereto as Exhibit D, are hereby approved. The purchase price of the 2008 Series A Bonds to be paid by the 2008 Series A Underwriters pursuant to the 2008 Series A Contract of Purchase shall be determined as provided in Section 2.03 of the Nineteenth Supplemental Resolution; *provided, however,* that the true interest cost for the 2008 Series A Bonds shall not exceed 6.25%. The 2008 Series A Contract of Purchase shall be executed and delivered as provided in Section 18 hereof; *provided, however,*

that at or prior to the time of the execution and delivery of the 2008 Series A Contract of Purchase, the City shall have received from Goldman, Sachs & Co., as representative of the 2008 Series A Underwriters, the disclosure statement required pursuant to Section 218.385(6), Florida Statutes.

SECTION 7. Authorization of the Issuance, Sale, Execution and Delivery of the 2008 Series B Bonds. There are hereby authorized the issuance and sale of a Series of Bonds designated as the “Variable Rate Utilities System Revenue Bonds, 2008 Series B”, for the purpose of providing for the payment of a portion of the Cost of Acquisition and Construction of the System (including a portion of the interest to accrue with respect to the 2008 Series B Bonds through October 1, 2009, taking into account amounts payable under the Swap Transactions). The 2008 Series B Bonds shall be issued pursuant to the Bond Resolution in the aggregate principal amount of \$90,000,000. The 2008 Series B Bonds shall be executed and delivered as provided in Section 18 hereof.

SECTION 8. Authorization and Approval of the Negotiated Sale of the 2008 Series B Bonds and Execution of the 2008 Series B Contract of Purchase. The terms and conditions set forth in the 2008 Series B Contract of Purchase between the City and the 2008 Series B Underwriter, providing for the negotiated sale and purchase of the 2008 Series B Bonds, in substantially the form of the contract attached hereto as Exhibit E, are hereby approved. The purchase price of the 2008 Series B Bonds to be paid by the 2008 Series B Underwriter pursuant to the 2008 Series B Contract of Purchase shall be \$89,787,402.55, which is equal to the principal amount of the 2008 Series B Bonds, \$90,000,000, less the 2008 Series B Underwriter’s discount, \$212,597.45. The 2008 Series B Contract of Purchase shall be executed and delivered as provided in Section 18 hereof; *provided, however*, that at or prior to the time of the execution and delivery of the 2008 Series B Contract of Purchase, the City shall have received from the

2008 Series B Underwriter the disclosure statement required pursuant to Section 218.385(6), Florida Statutes.

SECTION 9. Approval of the Continuing Disclosure Certificates. The terms and conditions set forth in each Continuing Disclosure Certificate, in substantially the form of the certificate attached as Appendix F to the 2008 Series A Preliminary Official Statement (hereinafter referred to as the “Form Certificate”), are hereby approved, and there are hereby authorized (a) simultaneously with the authentication and delivery of the 2008 Series A Bonds, the execution and delivery of a Continuing Disclosure Certificate relating to the 2008 Series A Bonds in substantially the form of the Form Certificate and (b) at such time, if any, as the 2008 Series B Bonds shall be converted to the Auction Mode, the Term Mode or the Fixed Mode, the execution and delivery of a Continuing Disclosure Certificate relating to the 2008 Series B Bonds in substantially the form of the Form Certificate. Such Continuing Disclosure Certificates shall be executed and delivered as provided in Section 18 hereof.

SECTION 10. Appointment of Remarketing Agent for the 2008 Series B Bonds; Authorization and Approval of the Execution and Delivery of the Remarketing Agreement. Goldman, Sachs & Co. is hereby appointed as the initial Remarketing Agent for the 2008 Series B Bonds and, in connection therewith, the terms and conditions set forth in the Remarketing Agreement between the City and Goldman, Sachs & Co., in substantially the form of the contract attached hereto as Exhibit F, are hereby approved. The Remarketing Agreement shall be executed and delivered as provided in Section 18 hereof.

SECTION 11. Appointment of Tender Agent for the 2008 Series B Bonds; Authorization and Approval of the Execution and Delivery of the Tender Agency Agreement. U.S. Bank Trust National Association is hereby appointed as the initial Tender Agent for the 2008 Series B Bonds and, in connection therewith, the terms and conditions set

forth in the Tender Agency Agreement between the City and U.S. Bank Trust National Association, in substantially the form of the contract attached hereto as Exhibit G, are hereby approved. The Tender Agency Agreement shall be executed and delivered as provided in Section 18 hereof.

SECTION 12. Authorization and Approval of the Execution and Delivery of the Initial Liquidity Facility. The terms and conditions set forth in the Initial Liquidity Facility between the City and the Bank, in substantially the form of the contract attached hereto as Exhibit H, are hereby approved. The Initial Liquidity Facility shall be executed and delivered as provided in Section 18 hereof.

SECTION 13. Delegation of Authority to Procure Municipal Bond Insurance for All or a Portion of the 2008 Series A Bonds. The General Manager for Utilities of the City, or her designee, shall be, and hereby is, authorized to determine whether it is in the economic interests of the City to insure one or more maturities of the 2008 Series A Bonds (or the 2008 Series A Bonds of a particular maturity bearing interest at a particular rate). In the event that the General Manager for Utilities of the City, or her designee, shall determine that it is in the economic interests of the City to insure one or more maturities of the 2008 Series A Bonds (or the 2008 Series A Bonds of a particular maturity bearing interest at a particular rate), 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 procure the Bond Insurance Policy from the Bond Insurer, to insure the payment when due of the Insured 2008 Series A Bonds; and such officers shall be, and hereby are, authorized and directed to pay such premiums and to do all administrative acts and things as may be necessary or desirable in connection therewith; and all such actions previously taken are hereby ratified, confirmed and approved.

SECTION 14. Authorization of Authentication. U.S. Bank Trust National Association, as Trustee under the Bond Resolution, is hereby requested and authorized (a) to authenticate the 2008 Series A Bonds in the aggregate principal amount determined as provided in Section 5 hereof and in Section 2.03 of the Nineteenth Supplemental Resolution, and to deliver such Bonds to or on behalf of the 2008 Series A Underwriters, upon payment for the account of the City of the sum to be specified in the 2008 Series A Contract of Purchase and pursuant to the terms of the Bond Resolution and the 2008 Series A Contract of Purchase and (b) to authenticate the 2008 Series B Bonds in the aggregate principal amount of \$90,000,000, and to deliver such Bonds to or on behalf of the 2008 Series B Underwriter, upon payment for the account of the City of the sum specified in Section 8 hereof and pursuant to the terms of the Bond Resolution and the 2008 Series B Contract of Purchase.

SECTION 15. Approval of the Form and Use of the 2008 Series A Preliminary Official Statement and the 2008 Series A Official Statement. The 2008 Series A Preliminary Official Statement, in substantially the form of the draft thereof attached hereto as Exhibit I, with such changes thereto as may be made thereto by the City, with the approval of Goldman, Sachs & Co., as representative of the 2008 Series A Underwriters, under and pursuant to the terms of the 2008 Series A Contract of Purchase, is hereby authorized and approved for use in connection with the offering and sale of the 2008 Series A Bonds, and the General Manager for Utilities of the City is hereby authorized to deem said 2008 Series A Preliminary Official Statement final for purposes of Rule 15c2-12. The 2008 Series A Official Statement, in substantially the form of said 2008 Series A Preliminary Official Statement, with such changes as may be made thereto by the City, with the approval of Goldman, Sachs & Co., as representative of the 2008 Series A Underwriters, under and pursuant to the terms of the 2008 Series A Contract of Purchase, is hereby authorized and approved for use in connection with the

offering and sale of the 2008 Series A Bonds. Said 2008 Series A Official Statement shall be executed as provided in Section 18 hereof.

SECTION 16. Approval of the Form and Use of the 2008 Series B Official Statement. The 2008 Series B Official Statement, in substantially the form of the draft thereof attached hereto as Exhibit J, with such changes thereto as may be made thereto by the City, with the approval of the 2008 Series B Underwriter under and pursuant to the terms of the 2008 Series B Contract of Purchase, is hereby authorized and approved for use in connection with the offering and sale of the 2008 Series B Bonds, and the General Manager for Utilities of the City is hereby authorized to deem said 2008 Series B Official Statement final for purposes of Rule 15c2-12. Said 2008 Series B Official Statement shall be executed as provided in Section 18 hereof.

SECTION 17. Approval With Respect to Registration or Qualification of the 2008 Series A and B 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 2008 Series A and B 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 2008 Series A Underwriters or the 2008 Series B

Underwriter, as the case may be; and all such actions previously taken are hereby ratified, confirmed and approved.

SECTION 18. Execution and Delivery of 2008 Series A and B Bonds and Related Documents. The Mayor of the City is hereby authorized to execute the Supplemental Resolutions and the 2008 Series A and B 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 2008 Series A and B Bonds shall be executed and delivered pursuant to the Bond Resolution and applicable law. The Mayor, the General Manager for Utilities and the Utility Chief Financial Officer of the City are each hereby authorized to execute the Contracts of Purchase, the Remarketing Agreement, the Tender Agency Agreement, the Initial Liquidity Facility, the Continuing Disclosure Certificates and the Official Statements 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 2008 Series A and B 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 19. Approval of Designation of Swap Transactions as Qualified Hedging Contracts and Approval of the Securing of the City's Payment Obligations Thereunder. Each Authorized Officer of the City is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such documents and to do all such acts and things as may be necessary or desirable in order to designate the Swap Transactions as "Qualified Hedging Contracts" within the meaning of the Bond Resolution, and it is hereby

declared that, at such time as such designation shall become effective, (a) the obligation of the City to make scheduled payments under each of the Swap Transactions shall be and constitute a “Parity Hedging Contract Obligation” within the meaning of the Bond Resolution and (b) the obligation of the City to make any termination payments under each of the Swap Transactions shall be and constitute a “Subordinated Hedging Contract Obligation” within the meaning of the Bond Resolution.

SECTION 20. 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 Contracts of Purchase, the Remarketing Agreement, the Tender Agency Agreement, the Initial Liquidity Facility and the Continuing Disclosure Certificates and the carrying out of their terms and the terms of the Bond Resolution; the issuance, sale, execution and delivery of the 2008 Series A and B Bonds; and the use of the 2008 Series A Preliminary Official Statement and the Official Statements and the procurement of the Bond Insurance Policy. Without limiting the generality of the foregoing, the General Manager for Utilities of the City, or her designee, is hereby authorized to execute the certificate referred to in Section 2.03 of the Nineteenth Supplemental Resolution in order to evidence the determinations referred to in Sections 5 and 13 hereof.

SECTION 21. 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 of the City, or her designee, is hereby authorized, from time to time, (1) to extend the term of a particular Liquidity Facility for the 2008 Series B Bonds or (2) to procure a Substitute Liquidity Facility for the 2008 Series B Bonds in substitution for the Liquidity Facility

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 of the City, or such designee, to be advantageous to the City and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the “facility fee” or “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 Liquidity Facility 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 Liquidity Facility, the General Manager for Utilities of the City, or 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 Liquidity Facility) as shall be determined by the General Manager for Utilities of the City, 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 Liquidity Facility as then in effect, then (a) such determination of the General Manager for Utilities of the City, 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 of the City or his designee as to form and legality prior to the execution thereof by the General Manager for Utilities of the City, or such designee.

In connection with any such procurement of a Substitute Liquidity Facility for the 2008 Series B Bonds in substitution for the Liquidity Facility then in effect with respect thereto, the General Manager for Utilities of the City, or her designee, is hereby further authorized to

execute and deliver, on behalf of the City, such documents and instruments (including, without limitation, a standby bond purchase agreement, credit agreement or other similar document) as shall be determined by the General Manager for Utilities of the City, 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 of the City or his designee as to form and legality prior to the execution thereof by the General Manager for Utilities of the City, 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 22. Authorization to Remove the Remarketing Agent and/or Tender Agent for the 2008 Series B Bonds and to Appoint Successor(s) Therefor. The General Manager for Utilities of the City, or her designee, is hereby authorized, from time to time, (1) to remove the firm at the time serving as Remarketing Agent for the 2008 Series B Bonds and to appoint a successor therefor and/or (2) to remove the firm at the time serving as Tender Agent for the 2008 Series B Bonds and to appoint a successor therefor, in either such case, upon such terms and conditions as shall be determined by the General Manager for Utilities of the City, or such designee, to be advantageous to the City and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the fees payable by the City thereto) may differ from the terms and conditions then in effect with respect to the Remarketing Agent and/or the Tender Agent, as the case may be, for the 2008 Series B Bonds then serving as such), such determination to be confirmed in writing by the firm serving at that time as the System's financial advisor; *provided, however*, that any such successor Remarketing

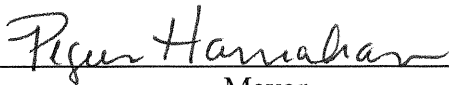
Agent or Tender Agent shall have the qualifications to serve as such contained in the Bond Resolution (including the Twentieth Supplemental Resolution).

In connection with any such removal and appointment of a successor Remarketing Agent and/or Tender Agent for the 2008 Series B Bonds, the General Manager for Utilities of the City, or her designee, is hereby further authorized to execute and deliver, on behalf of the City, such documents and instruments as shall be determined by the General Manager for Utilities of the City, 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 of the City or his designee as to form and legality prior to the execution thereof by the General Manager for Utilities of the City, or such designee.

SECTION 23. 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.


SECTION 24. Effective Date. This resolution shall take effect immediately upon its adoption.

Dated this 28th day of January A.D., 2008.



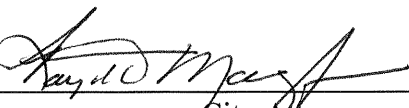
Mayor

ATTEST:



Clerk of the Commission

Approved as to Form and Legality:

By 

City Attorney