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.

	Series C Notes	**Series D Notes**
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** (or if such day is not a Business Day, the next preceding Business Day).	No more than 270 days from the date of issuance thereof, but in no event later than the earlier to occur of: (a) the second Business Day preceding the Termination Date, or (b) **June 14, 2030** (or if such day is not a Business Day, the next preceding Business Day).
Interest Rate; Interest Rate Basis:	Not to exceed **15%** per annum calculated on the basis of a 365-day year and actual days elapsed.	Not to exceed **20%** per annum calculated on the basis of a 365-day year and actual days elapsed.
Interest Payment Date:	Interest on the CP 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 Series C 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 Series D Notes are issued under and pursuant to a resolution adopted by the City on June 15, 2000 entitled "Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution," as heretofore amended (the "Fourth Supplemental Resolution"). The Second Supplemental Resolution and the Fourth Supplemental Resolution are supplemental to a resolution adopted by the City on December 8, 2003 entitled "Amended and Restated Subordinated Utilities System Revenue Bond Resolution," as heretofore supplemented and amended (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 $51,500,000 are currently outstanding. The Series C Notes may be issued for purposes of (i) paying the principal of, and interest on, maturing Series C Notes, (ii) repaying borrowings under the Series C 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 Fourth Supplemental Resolution currently permits the issuance of 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 Series D Notes may be issued for purposes of: (i) financing the costs of acquisition and construction of the System, (ii) paying the principal of maturing Series D Notes and (iii) repaying borrowings under the Series D Agreement (hereinafter defined).

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.

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 Series C CP Note Payment Account (with respect to the Series C Notes) and the Series D CP Note Payment Account (with respect to the Series D Notes) held by the Issuing Agent and amounts in the Series C CP Note Payment Account (with respect to the Series C Notes) and the Series D CP Note Payment Account (with respect to the Series D Notes) 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.

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

Series C Notes.

Liquidity support for the Series C Notes will be provided under a Credit Agreement dated as of November 30, 2015 (the "Series C Agreement") with Bank of America, N.A. (the "Series C Bank"). Under the Agreement, the Series C Bank will be obligated, subject to the satisfaction of the conditions set forth therein, to advance the amount of each loan requested on behalf of the City for the purpose of paying the principal amount of maturing Series C Notes to the extent other moneys are not available therefor. Under the terms of the Agreement, the City may, provided it has satisfied certain conditions and certain events of default have not occurred under the Agreement, until the Termination Date (currently November 30, 2018, which date can be extended by agreement of the City and the Series C Bank) or such earlier date as the Agreement, by its terms, may terminate, borrow up to $85,000,000. Under certain circumstances, the City may convert existing borrowings to a term loan which may include amounts utilized to pay at maturity the principal of Series C Notes outstanding on the date of the making of such term loan. The Agreement provides for same day availability of funds up to a maximum of $85,000,000. The City has issued the Series A Bank Bond to evidence any loans made by the Bank under the Series C Agreement

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.

Series D Notes.

Liquidity support for the Series D Notes is being provided under a Credit Agreement, dated as of August 1, 2014 (the "Series D Agreement") with State Street Bank and Trust Company (the "Series D Bank"). Under the Series D Agreement, the Series D Bank is obligated, subject to the satisfaction of the conditions set forth therein and so long as certain events of default on the part of the City thereunder have not occurred, to advance the amount of each loan requested on behalf of the City for the purpose of paying the principal amount of maturing Series D Notes to the extent other moneys are not available therefor. Under the terms of the Series D Agreement, the City may, provided it has satisfied certain conditions and certain events of default on its part have not occurred under the Series D Agreement, until the Termination Date (currently August 28, 2017, which date can be extended by agreement of the City and the Series D Bank) or such earlier date as the Series D Agreement, by its terms, may terminate or the Series

D Bank's lending commitment thereunder shall be suspended, borrow up to $25,000,000. Under certain circumstances, the City may convert existing borrowings to a term loan which may include amounts utilized to pay at maturity the principal of Series D Notes outstanding on the date of the making of such term loan. The Series D Agreement provides for same day availability of funds up to a maximum of $25,000,000. The City has issued its Utilities System Subordinated Bank Bond, Series B (the "Series B Bank Bond") to evidence any loans made by the Bank under the Series D Agreement. The Series B Bank Bond has been issued under the Subordinated Resolution, on a parity with the Series D Notes.

Under the Fourth Supplemental Resolution, the City has the right to substitute another liquidity support arrangement for the Series D Agreement or to permit the Series D Bank to assign all or any part of its obligation to make loans under the Agreement, but only if either (a) prior to such substitution or assignment, as the case may be, the City has received written confirmation from each rating agency then rating the Series D Notes to the effect that such substitution or assignment will not, by itself, result in a reduction or withdrawal of such rating agency's ratings of the Series D Notes from those which then prevail or (b) such substitution or assignment by its terms provides that it will not be effective with respect to each particular Series D Note issued prior to the date on which such substitution or assignment is effective.

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

Series C Notes

On April 25, 2008, Orrick, Herrington & Sutcliffe LLP, New York, New York, Original Bond Counsel to the City ("Original Bond Counsel"), rendered its opinion (the "Approving 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"), were excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Original Bond Counsel was of the further opinion that interest on the Series C Notes was not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Original Bond Counsel observed that such interest was included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. A complete copy of the opinion of Original Bond Counsel with respect to the Series C Notes is 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 was 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 expressed 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 expressed no opinion.

The opinion of Original Bond Counsel was based on current legal authority as of the date of such opinion, covered certain matters not directly addressed by such authorities, and represented Original Bond Counsel's judgment as to the proper treatment of the Series C 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.

Holland & Knight LLP, Bond Counsel to the City ("Bond Counsel") will deliver an opinion to the effect that the replacement of the existing credit facility for the Series C Notes with the Series C Agreement referred to herein will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series C Notes (the "2015 No Adverse Effect Opinion"). Except to the limited extent expressly stated in the 2015 No Adverse Effect Opinion, subsequent to the original issuance of the Series C Notes neither Original Bond Counsel nor Bond Counsel has made any investigation or review with respect to and expresses no opinion as to the current or continuing exclusion from gross income for federal income tax purposes of interest on the Series C Notes. In rendering said 2015 No Adverse Effect Opinion, Bond Counsel was not requested, nor did it undertake, to make an independent investigation regarding the Approving Opinion or the facts or laws related to such opinion, the expenditure of Series C Notes proceeds, to confirm that City has complied with the certifications and representations in the various certificates or documents to which it was a party, or to review any other events which may have occurred since the Series C Notes were issued which might affect the tax status of interest on the Series C Notes or which might change the opinions expressed at the time the Series C Notes were issued. Bond Counsels' opinions represent their legal judgment based upon their review of the law and the facts that they deems relevant to render such opinion and is not a guarantee of a result.

Series D Notes

On August 28, 2014, Original Bond Counsel rendered its opinion that interest on the Series D Notes is not excludable from gross income for U.S. federal income tax purposes.

The following discussion summarizes certain federal income tax considerations generally applicable to holders of the Series D Notes that acquire their Series D Notes in the initial offering. The discussion below was based upon laws, regulations, rulings, and decisions in effect and available on August 28, 2014, the date of Original Bond Counsel rendered its opinion with respect to the Series D Notes, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. federal income tax consequences applicable to any given investor, nor does it address the U.S. federal income tax considerations applicable to categories of investors some of which may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or

traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series D Notes as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. In addition, this summary generally is limited to investors that acquire their Series D Notes pursuant to this offering for the issue price that is applicable to such Series D Notes (i.e., the price at which a substantial amount of the Series D Notes are sold to the public) and who will hold their Series D Notes as "capital assets" within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code").

As used herein, "U.S. Holder" means a beneficial owner of a Series D Note that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Series D Note (other than a partnership) that is not a U.S. Holder. If a partnership holds Series D Notes, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series D Notes, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series D Notes (including their status as U.S. Holders or Non-U.S. Holders).

Characterization of the Series D Notes. The City has treated the Series D Notes as "short-term obligations" for purposes of the U.S. federal income tax rules that are applicable to original issue discount, and by acceptance of the Series D Notes, the holders agree to treat the Series D Notes for all tax purposes as short-term obligations. The balance of this discussion assumes the characterization of the Series D Notes as short-term obligations is correct.

For U.S. Holders. U.S. Holders that report income for U.S. federal income tax purposes on the accrual method are required to include in income (i) original issue discount (equal to the excess of the face amount of a Series D Note plus any interest payable on the Series D Note over its issue price) or, (ii) if the U.S. Holder elects, the excess of the face amount of the Series D Note and any interest payable on the Series D Note over the U.S. Holder's U.S. federal income tax basis in the Series D Note (such excess, the Series D Note's "acquisition discount"). Original issue discount or acquisition discount is accrued on a straight-line basis, unless an irrevocable election is made with respect to the Series D Note to accrue the original issue discount or acquisition discount under the constant yield method based on daily compounding. Purchasers of Series D Notes should consult their own tax advisors regarding the consequences of making such an election. Payments on the Series D Notes will be treated first as nontaxable payments of accrued interest or discount (to the extent of the accrual), and then as a return of principal.

In general, an individual or other cash method U.S. Holder is not required to accrue original issue discount or acquisition discount with respect to a Series D Note (unless the U.S.

Holder elects to do so), and should include any such amounts in income as ordinary income upon receipt. An election by a cash basis U.S. Holder to accrue original issue discount on the Series D Notes, as well as the election to accrue acquisition discount instead of original issue discount with respect to the Series D Notes, applies to all short-term obligations acquired by the U.S. Holder during the first taxable year for which the election is made, and all subsequent taxable years of the U.S. Holder, unless the IRS consents to a revocation.

Upon a sale, exchange, redemption, retirement or other taxable disposition of a Series D Note, a U.S. Holder generally will recognize short-term capital gain or loss equal to the difference between the amount realized on the sale, exchange, redemption, retirement or other taxable disposition of the Series D Note and the U.S. Holder's U.S. federal income tax basis in the Series D Note. In general, a U.S. Holder will have a U.S. federal income tax basis in its Series D Note equal to the cost of the Series D Note, increased by any amount includible in income by the U.S. Holder with respect to the Series D Note, and reduced by any payments received on the Series D Note.

In the case of a U.S. Holder that is not required (and does not elect) to include original issue discount or acquisition discount in income currently, any gain realized on the sale, exchange, redemption, retirement or other taxable disposition of a Series D Note will be treated as ordinary income to the extent of the original issue discount (or acquisition discount) that had accrued on a straight-line basis (or, if elected, under the constant yield method based on daily compounding) through the date of such sale, exchange, redemption, retirement or other taxable disposition, and the U.S. Holder will be required to defer deductions for any interest paid on indebtedness incurred or continued to purchase or carry the Series D Note in an amount not exceeding the accrued original issue discount or acquisition discount (determined on a ratable basis, unless the U.S. Holder elects to use a constant yield basis) on the Series D Note, until the original issue discount or acquisition discount is recognized.

Certain non-corporate U.S. beneficial owners of Series D Notes are subject to a 3.8% tax on the lesser of (1) the U.S. beneficial owner's "net investment income" (in the case of individuals) or "undistributed net investment income" (in the case of estates and certain trusts) for the relevant taxable year and (2) the excess of the U.S. beneficial owner's "modified adjusted gross income" (in the case of individuals) or "adjusted gross income" (in the case of estates and certain trusts) for the taxable year over a certain threshold (which in the case of individuals is between $125,000 and $250,000, depending on the individual's circumstances). A U.S. beneficial owner's calculation of net investment income generally will include its interest income (including original issue discount and acquisition discount) on the Series D Notes and its net gains from the disposition of the Series D Notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. beneficial owner that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of this tax to your income and gains in respect of your investment in the Series D Notes.

For Non-U.S. Holders. Subject to the discussion below under the headings "*Information Reporting and Backup Withholding*" and "*FATCA*," payments on the Series D Notes to Non-U.S. Holders will not be subject to U.S. federal withholding tax if the following conditions are satisfied:

- the Series D Note has a term of 183 days or less; or

- in the case of a Series D Note with a term of more than 183 days, (A) the Non-U.S. Holder is not (i) a bank that acquired its Series D Note in consideration of an extension of credit made under a loan agreement entered into in the ordinary course of its trade or business or (ii) a controlled foreign corporation, as such term is defined in the Code, which is related to the City; and (B) certain certification requirements are met.

If any of these conditions are not satisfied, interest (including original issue discount and acquisition discount) on the Series D Notes may be subject to a 30% withholding tax, unless an income tax treaty reduces or eliminates the tax or the interest is effectively connected with the conduct of a U.S. trade or business and, in either case, certain certification requirements are met. In the case of a Non- U.S. Holder receiving interest (including original issue discount and acquisition discount) that is effectively connected with such Non-U.S. Holder's conduct of a U.S. trade or business, such Non-U.S. Holder may be subject to a U.S. federal branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year (subject to certain adjustments) except to the extent that an income tax treaty reduces or eliminates the tax and the appropriate documentation is provided.

In general, a gain realized on the sale, exchange, redemption, retirement or other taxable disposition of the Series D Notes by a Non-U.S. Holder will not be subject to U.S. federal income tax, unless the gain with respect to the Series D Notes is effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States or, in the case of an individual, such individual is present in the United States for 183 days or more in the taxable year of the sale, exchange, redemption, retirement or other taxable disposition of the Series D Notes and certain other conditions are met. If the gain is effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States, the Non-U.S. Holder may be subject to a U.S. federal branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year (subject to certain adjustments) except to the extent that an income tax treaty reduces or eliminates the tax and the appropriate documentation is provided.

Information Reporting and Backup Withholding. Information reporting will apply to certain payments on a Series D Note (including interest and original issue discount) and proceeds of the sale, exchange, redemption, retirement or other taxable disposition of a Series D Note held by a U.S. Holder that is not an exempt recipient (such as a corporation). Backup withholding may apply to payments made to a U.S. Holder if (a) the U.S. Holder has failed to provide its correct taxpayer identification number on IRS Form W-9, (b) the City or the Issuing Agent has been notified by the IRS of an underreporting by such U.S. Holder (underreporting generally refers to a determination by the IRS that a payee has failed to include in income on its tax return any reportable dividend and interest payments required to be shown on a tax return for a taxable year) or (c) the City or the Issuing Agent has been notified by the IRS that the tax identification number provided to the IRS on an information return does not match IRS records or that the number was not on such information return.

Backup withholding will not be required with respect to holders that are Non-U.S. Holders, so long as the City or the Issuing Agent has received a correct and complete IRS Form

W-8BEN, IRS Form W- 8BEN-E, Form W-8ECI or Form W-8IMY with all of the attachments required by the IRS, signed under penalty of perjury, identifying such Non-U.S. Holder and stating that it is not a United States person or otherwise determines that backup withholding is not required. Interest paid to a Non-U.S. Holder may be reported on IRS Form 1042-S which is filed with the IRS and sent to Non-U.S. Holders.

Information reporting and backup withholding may apply to the proceeds of a sale, exchange, redemption, retirement or other taxable disposition of a Series D Note by a holder that is not a U.S. Holder made within the United States or conducted through certain U.S. related financial intermediaries, unless the payor receives one of the statements described above. Backup withholding is not an additional tax and may be refunded (or credited against a Non-U.S. Holder's U.S. federal income tax liability, if any), provided, that certain required information is furnished. The information reporting requirements may apply regardless of whether or not withholding is required. For Non-U.S. Holders, copies of the information returns reporting such amounts and withholding may be made available to the tax authorities in the country in which the holder is a resident under the provisions of an applicable income tax treaty or agreement.

FATCA. Under the "Foreign Account Tax Compliance Act" provisions of the Code, unless the holder complies with certain certification, information reporting and other specified requirements, (i) payments of interest (other than interest and original issue discount in the case of Series D Notes with a term of 183 days or less) will be subject to a 30% withholding tax, and (ii) gross proceeds realized from the sale, exchange, redemption, retirement or other taxable disposition of Series D Notes (other than gross proceeds in the case of Series D Notes with a term of 183 days or less) will be subject to a 30% withholding tax beginning January 1, 2017. In the case of a Non-U.S. Holder that is a "foreign financial institution," the required certifications will include a certification to the effect that the Non-U.S. Holder has entered into a "foreign financial institution agreement" with the IRS or is otherwise exempt from withholding under FATCA. The term foreign financial institution is defined very broadly, and includes any foreign entity that accepts deposits in the ordinary course of a banking or similar business; as a substantial portion of its business, holds financial assets for the account of others; or is engaged, or holds itself out as being engaged, primarily in the business of investing, reinvesting or trading in (or in interests in) securities, partnership interests or commodities.

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

	Moody's	Standard & Poor's
Commercial Paper Notes, Series C	P-1	A-1
Commercial Paper Notes, Series D	P-1	A-1+
Utilities System Revenue Bonds	Aa2	AA

November __, 2015

APPENDIX A

OPINIONS OF ORIGINAL BOND COUNSEL