

CERTIFICATE OF RECORDING OFFICER

The undersigned HEREBY CERTIFIES that:

1. She is the duly elected, qualified and acting City Clerk of the City Commission (the "Commission") of the City of Alachua, Florida (the "City"), and keeper of the records thereof, including the minutes of its proceedings.
2. She is duly authorized to execute this certificate.
3. The copy of Resolution No. 13-07 (the "Resolution") annexed hereto as Exhibit A is a true, correct and compared copy of the original Resolution as finally adopted at the meeting of the Commission held on January 14, 2013, and, to the extent required by law, as thereafter duly signed or approved by the proper officer or officers of the Commission, which Resolution is on file and of record.
4. The meeting was duly convened in conformity with all applicable requirements of the Commission; a proper quorum was present throughout the meeting; and the Resolution was duly proposed, considered and adopted.

WITNESS my hand and the seal of the Commission, this 30<sup>th</sup> day of January, 2013.



\_\_\_\_\_  
City Manager and Clerk

(SEAL)

## RESOLUTION NO. 13-07

A RESOLUTION OF THE CITY OF ALACHUA, FLORIDA, AUTHORIZING THE REFUNDING OF THE OUTSTANDING UTILITIES REVENUE BOND, SERIES 1979, AND UTILITY REFUNDING REVENUE BONDS, SERIES 2003, OF THE CITY; PROVIDING FOR THE ISSUANCE OF A NOT EXCEEDING \$5,000,000 UTILITY REFUNDING REVENUE BOND, SERIES 2013, OF THE CITY TO BE APPLIED TO FINANCE THE COST THEREOF; PROVIDING FOR THE PAYMENT OF SUCH SERIES 2013 BOND FROM THE NET REVENUES OF THE COMBINED ELECTRIC, WATER AND SEWER SYSTEM OF THE CITY AND CERTAIN EXCISE TAXES; PROVIDING FOR A NEGOTIATED PRIVATE PLACEMENT OF SUCH SERIES 2013 BOND; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

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

## ARTICLE I

## AUTHORITY, DEFINITIONS AND FINDINGS

**SECTION 1.01 AUTHORITY.** This Resolution is adopted pursuant to the provisions of Chapter 166, Part II, Florida Statutes, and other applicable provisions of law.

**SECTION 1.02 DEFINITIONS.** Unless the context otherwise requires, the terms defined in this section shall have the meanings specified in this section. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Accountant" shall mean the independent certified public accountant or firm of certified public accountants at the time employed by the City under the provisions of this Resolution to perform and carry out the duties imposed on the Accountant by this Resolution.

"Additional Parity Bonds" shall mean additional obligations subsequently issued by the City which have an equal lien on the Net Revenues and, if applicable, the Excise Taxes, and rank equally in all respects with the Bonds initially issued hereunder.

"Amortization Installment," with respect to any Current Interest Paying Bonds of a series, shall mean an amount so designated which is established for the Current Interest Paying Term Bonds of such series; provided, that (1) each such installment shall be deemed to be due on such interest or principal maturity date of each applicable year as is fixed by this Resolution, subsequent resolution of the Commission or the bond purchase contract, as applicable, and (2) the aggregate of such installments for such series shall equal the aggregate principal amount of Current Interest Paying Term Bonds of such series authenticated and delivered on original issuance; and with respect to any Term Bonds of a series issued as Capital Appreciation Bonds, shall mean the Compounded Amounts so designated by subsequent resolution of the Commission or the bond purchase contract, as applicable; provided, that each such installment shall be deemed to be due on such date of each applicable year as is fixed by this Resolution, subsequent resolution of the Commission or the bond purchase contract, as applicable.

"Authorized Investments" shall mean any of the following if and to the extent the same are at the time legal for investment of municipal funds:

(1) Government Obligations which are held in a custody or trust account by a bank or savings and loan association which is either (a) a "qualified public depository" under the laws of the State of Florida or (b) has capital, surplus and undivided profits of not less than \$50,000,000, and which is a member of the Federal Deposit Insurance Corporation ("FDIC");

(2) bonds, debentures, notes, participation certificates or other evidences of indebtedness payable in cash issued, or the principal of and interest on which are unconditionally guaranteed, by the following federal agencies whose obligations represent the full faith and credit of the United States of America: Federal Home Loan Bank System, the Export-Import Bank of the United States, the Federal Financing Bank, the Government National Mortgage Association, United States Department of Agriculture, the Federal Housing Administration or the Maritime Administration;

(3) time and demand deposits in any commercial bank or savings and loan association which is a member of FDIC and is a "qualified public depository" under the laws of the State of Florida;

(4) repurchase agreements fully and continuously secured by Government Obligations, with any bank, trust company, national banking association or savings and loan association which is a member of FDIC and is a "qualified public depository" under the laws of the State of Florida; or with any registered government bond broker/dealer which is subject to the jurisdiction of the Securities Investors' Protection Corporation; provided, (a) such Government Obligations are held by the City or a third party which is (i) a Federal Reserve Bank, or (ii) a bank or savings and loan association which is a member of FDIC and is a "qualified public depository" under the laws of the State of Florida, or (iii) a bank or savings and loan association approved in writing for such purpose by the municipal bond insurer, if applicable; and the City shall have received written confirmation from the third party that it holds such Government Obligations; and (b) a perfected first security interest in or title to such Government Obligations is created or obtained for the benefit of the City;

(5) shares in a money market fund, the investments of which are exclusively in Government Obligations;

(6) any other agreements for the investment of money between the City and a bank, trust company, national banking association or corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or the Federal National Mortgage Association, or any corporation, including insurance companies, (a) whose unsecured obligations or uncollateralized long term debt obligations have been assigned ratings by Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., New York, New York ("S&P"), and Moody's Investors Service, New York, New York ("Moody's"), which are equal to or higher than the ratings initially assigned by S&P and Moody's to the Bonds, or (b) which has issued a letter of credit contract, agreement or surety bond in support of debt obligations which have been so rated; or



(7) any other investments authorized or permitted from time to time by laws of the State of Florida controlling the investment of surplus public funds of a municipality.

"Bank" shall mean Branch Banking and Trust Company.

"Bond Registrar" shall mean for the Bonds originally issued hereunder, the City Clerk, who shall maintain the registration books of the City and be responsible for the transfer and exchange of the Bonds, and who also shall be the paying agent for the Bonds and interest thereon; and for any Additional Parity Bonds, shall mean the City Clerk or banking institution specified in the resolutions authorizing the issuance of the Additional Parity Bonds, who or which shall serve in such capacity.

"Bond Year" shall mean Fiscal Year.

"Bonds" shall mean the Utility Refunding Revenue Bond, Series 2013, herein authorized to be issued (the "Series 2013 Bond"); and, if applicable, the Additional Parity Bonds.

"Capital Appreciation Bonds" shall mean Bonds, the interest on which (1) shall be compounded periodically, (2) shall be payable at maturity or redemption prior to maturity and (3) shall be determined by reference to the Compounded Amounts.

"City" shall mean the City of Alachua, Florida.

"City Clerk" shall mean the City Manager and Clerk of the City, and in his or her absence, the Deputy City Clerk.

"Certificate of Award" shall mean a certificate reviewed in advance by the Bank and executed by the City Clerk, awarding the Bonds to the Bank at par and containing the amounts and maturity schedules applicable to the Bonds.

"Code" shall mean the Internal Revenue Code of 1986, as amended, together with the valid and applicable regulations and proposed and temporary regulations thereunder, and, if applicable, under the Internal Revenue Code of 1954, as amended; and any successor provisions.

"Commission" shall mean the City Commission of the City of Alachua, Florida.

"Commitment" shall mean the proposal letter of the Bank, dated October 29, 2012, with respect to the Bond originally issued hereunder.

"Compounded Amounts" with respect to any Capital Appreciation Bonds, shall mean the amounts so designated in a subsequent resolution of the Commission, representing principal and interest accrued on such Capital Appreciation Bonds.

"Consulting Engineers" shall mean one or more qualified and recognized consulting engineers and/or rate consultants having favorable reputes, skill and experience with respect to the planning and operation of electric, water and sewer systems, who shall be retained from time to time by the City.

"Contract Debts" shall mean (1) any obligations of the City under a contract, lease, installment sale agreement, bulk electric power purchase agreement or other instrument, to make payments out of Revenues for electric energy or capacity whether or not the same are made available, furnished or received; and (2) any other obligations of the City payable out of Revenues under which the City lends credit to or guarantees debts, claims or other obligations of any other person for the purpose of obtaining electric energy or capacity for the System.

"Cost of Operation and Maintenance" of the System shall mean the current expenses (including Contract Debts, at the option of the City), paid or accrued, for the operation, maintenance and repair of all facilities of the System, as calculated in accordance with generally accepted accounting principles, and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the City related solely to the System, labor, cost of materials and supplies used for such operation and charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with such accepted accounting principles; but shall exclude any Debt Service Requirement or Reserve Account Requirement, any allowance for depreciation or for renewals or replacements of capital assets of the System and any transfers to the General Fund of the City.

"Current Interest Paying Bonds" shall mean the Bonds, the interest on which shall be payable on a semiannual basis.

"Debt Service Requirement" for any Bond Year, as applied to the Bonds, shall mean the sum of:

(1) The amount required to pay the interest becoming due on the Current Interest Paying Bonds in such Bond Year (including, in the case of variable rate Bonds, the interest becoming due calculated in accordance with the assumptions provided in the resolution authorizing the issuance of such variable rate Bonds), except to the extent that such interest shall have been provided by payments into the Sinking Fund established pursuant to Section 4.03 hereof (the "Sinking Fund"), out of Bond proceeds for a specified period of time.

(2) The aggregate amount required to pay the principal becoming due on Current Interest Paying Bonds in such Bond Year. For purposes of this definition: (a) the stated maturity date of any Current Interest Paying Term Bonds shall be disregarded and the Amortization Installments applicable to such Current Interest Paying Term Bonds in such Bond Year shall be deemed to mature in such Bond Year; and (b) the principal amount of any Current Interest Paying Term Bonds having a single principal maturity and no Amortization Installments therefor shall be calculated as if the amount of such single maturity had been amortized over a term of years and was payable in such payments of principal and interest as shall be set forth in a subsequent resolution of the Commission adopted prior to the delivery of any such Bonds or the bond purchase contract, as applicable.

(3) The aggregate amount required to pay the Compounded Amounts due on any Capital Appreciation Bonds maturing in such Bond Year. For purposes of this definition, the stated maturity date of any Capital Appreciation Term Bonds shall be disregarded and the Amortization Installments applicable to such Capital Appreciation Term Bonds in such year shall be deemed to mature in such year.

"Determination of Taxability" shall mean the circumstance of the interest on the Series 2013 Bond becoming includable for federal income tax purposes in the gross income of the Bondholder, or the Series 2013 Bond not being a "qualified tax-exempt obligation" under Section 265(b)(3)(B) of the Code, regardless of whether caused by or within the control of the City; and will be deemed to have occurred upon (1) the receipt by the City or the Bondholder of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency, (2) the issuance of any public

or private ruling of the Internal Revenue Service or (3) receipt by the City or Bondholder of an opinion of counsel experienced in tax matters relating to municipal bonds, in each case to the effect that the interest on the Series 2013 Bond is not excluded from the gross income of the Bondholder for federal income tax purposes or the Series 2013 Bond is not a "qualified tax-exempt obligation."

"Discretionary Communications Services Tax" shall mean such tax as imposed under Chapter 202, Florida Statutes.

"Excise Taxes" shall mean the proceeds to be derived by the Issuer by reason of its levy and collection of its Public Service Tax and its Discretionary Communications Services Tax.

"FDEP" shall mean the State of Florida Department of Environmental Protection.

"Federal Securities" shall mean direct obligations of (including obligations issued or held in book-entry form on the books of), or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, none of which are subject to redemption prior to maturity at the option of the obligor.

"Fiscal Year" shall mean the period commencing on October 1 of each year and ending on the succeeding September 30, or such other annual period as may be prescribed by law from time to time for the City.

"Government Obligations" shall mean direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including Interest Components of Resolution Funding Corporation bonds issued by the Resolution Funding Corporation under the authority of 12 U.S.C. §1441b or receipts, certificates or other similar documents evidencing ownership of future principal or interest payments due on such obligations.

"Gross Revenues" or "Revenues" shall mean all money received from rates, fees, rentals or other charges or income (including income from the investment of any fund or account created by this Resolution or established by the City for the System, excluding any construction or project funds) received by the City or accruing to it in the management and operation of the System (except to the extent such investment income is required to be



rebated to the United States Treasury) including physical connection charges and the proceeds of any business interruption insurance; all calculated in accordance with generally accepted accounting principles employed in the operation of public electric, water and sewer systems similar to the System; but shall exclude (1) Impact Fees and contributions in aid of construction, and the earnings thereon, (2) proceeds of the sale or other disposition of System property, (3) customer deposits, (4) government grants, (5) loan proceeds and (6) insurance proceeds other than from business interruption insurance.

"Holder of Bonds" or "Bondholders" or any similar term shall mean any person who shall be the Registered Owner of any such Bond or Bonds.

"Impact Fees" shall mean the fees or charges lawfully imposed from time to time by the City upon new customers of the System to finance all or a portion of the cost of additions, extensions or improvements to the System made necessary by the inclusion or expected inclusion of such new customers; and shall include any System capital facilities charges imposed by the City in accordance with its Code of Ordinances, unless it receives an opinion of counsel that such capital facilities charges are not considered "impact fees" under Florida law.

"Maximum Debt Service Requirement" shall mean, as of any particular date of calculation, the greatest amount of aggregate annual Debt Service Requirements for the then current or any future Bond Year. For the purposes of this calculation, the Debt Service requirement for any Current Interest Paying Term Bonds having a single principal maturity and Amortization Installments which are insufficient to fully amortize the principal amount of such Bonds over their term, shall be calculated as if the amount of such single maturity had been amortized over a term of 20 years at the rate shown in the most recent and appropriate index of *The Bond Buyer*.

"Net Revenues" of the System shall mean the Revenues or Gross Revenues, as defined herein, after deduction of the Cost of Operation and Maintenance, as defined herein.

"Pledged Revenues" shall mean the Net Revenues and the Excise Taxes.

"Public Service Tax" shall mean the excise tax levied and collected by the City on every purchase of electricity, metered

natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service within the corporate territorial limits of the City pursuant to the provisions of Ordinance No. 0-77-17 of the City in accordance with Section 166.231, Florida Statutes.

"Record Date" shall mean the 15th day of the month (whether or not a business day) immediately preceding any interest payment date for the Bonds.

"Refunding" shall mean the refunding of the outstanding Utilities Revenue Bond, Series 1979, and Utility Refunding Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), of the City (collectively, the "Refunded Bonds").

"Registered Owner" shall mean the owner of any Bond or Bonds as shown on the registration books of the City maintained by the Bond Registrar.

"Reserve Account Requirement," with respect to the Bonds originally issued hereunder, shall mean \$0.00.

"Resolution" shall mean, collectively, this Resolution and all resolutions amendatory hereof or supplemental hereto.

"Serial Bonds" shall mean the Bonds which shall be stated to mature in semiannual or annual installments.

"SRF Loan" shall mean the Clean Water State Revolving Fund Debt Purchase Agreement (Amendment 3 to WW790080), between the City and FDEP, executed by the City and FDEP on October 22, 2012, as amended and supplemented from time to time.

"System" shall mean the combined electric, water and sewer system owned, operated and maintained by the City, together with any and all improvements, extensions and additions thereto hereafter constructed or acquired, together with all lands or interests therein, including buildings, machinery, franchises, equipment and all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith.

"Term Bonds" shall mean the Bonds which shall be stated to mature on one date and which shall be subject to mandatory redemption by operation of the Bond Amortization Account established pursuant to Section 4.03 hereof (the "Bond

Amortization Account"), or otherwise designated as such by resolution of the Commission adopted prior to the delivery thereof.

**SECTION 1.03 FINDINGS.** It is hereby ascertained, determined and declared that:

A. The Refunding is for a public purpose and is necessary and desirable in order to preserve and protect the public health, safety and welfare of the inhabitants of the City. The Refunding will be advantageous to the City by achieving savings in debt service that would otherwise be attributable to the Refunded Bonds and by eliminating certain restrictive covenants in the resolutions authorizing the issuance of the Refunded Bonds.

B. The Refunded Bonds are redeemable prior to their stated dates of maturity, at the option of the City, as a whole on April 1, 2013, at a redemption price of the par amount of the Refunded Bonds, together with accrued interest on such principal amount to the redemption date, plus, in the case of the Series 2003 Bonds, a premium of 1% of the Series 2003 Bonds being redeemed. Not less than 30 days prior to the redemption date, notice of redemption of the Refunded Bonds will be furnished by the City.

C. The City deems it necessary and in its best interest to finance the Refunding through the issuance of the Series 2013 Bond and the application of certain other legally available funds of the City.

D. The City owns, operates and maintains the System and derives Revenues from rates, fees, rentals and other charges made and collected for the services of and with respect to the System.

E. The Pledged Revenues are not now pledged or encumbered in any manner except to the payment of the Refunded Bonds and the SRF Loan, to the extent set forth in the SRF Loan documents and the resolutions of the City authorizing the issuance of the Refunded Bonds. The Series 2013 Bond will constitute a "Senior Lien Obligation," as defined in the SRF Loan documents, with respect to the lien on the Pledged Revenues, and the lien on the Pledged Revenues in favor of the Holder of the Series 2013 Bond will be superior to the lien thereon in favor of FDEP. The principal of and interest on the Bonds and all required sinking fund, reserve and other payments shall be payable solely from the Pledged Revenues as herein provided. Neither the City nor the State of Florida or any political subdivision thereof or governmental

authority or body therein shall ever be required to levy ad valorem taxes to pay the principal of and interest on the Bonds or to make any of the required sinking fund, reserve or other payments required by this Resolution or the Bonds; and such Bonds shall not constitute a lien upon any property owned by or situated within the corporate territory of the City, except as provided herein with respect to the Pledged Revenues.

F. The estimated Pledged Revenues will be sufficient to pay all principal of and interest on the Bonds, as the same become due, and to make all required sinking fund, reserve or other payments required by this Resolution.

G. The City will receive prior to the sale of the Series 2013 Bond, disclosure and truth-in-bonding statements as required by Section 218.385, Florida Statutes.

H. Because of the limited responses expected in a public sale offering due to the relatively small size of the Series 2013 Bond, the fact that the Series 2013 Bond will not be submitted for rating to a nationally-recognized rating agency and prevailing market conditions, it is in the best interest of the City to approve a negotiated sale of the Series 2013 Bond upon the terms, conditions and limitations set forth herein and in the Commitment.

I. The Series 2013 Bond will not be a "private activity bond" as defined in Section 141 of the Code.

J. The City (and all subordinate entities thereof) does not reasonably expect to issue tax-exempt obligations (other than "private activity bonds") in excess of \$10,000,000 aggregate face amount in calendar year 2013.

K. The Bonds originally issued hereunder will be deemed "obligations" of a "municipal utility" within the meaning of Section 215.84(8), Florida Statutes, so no interest rate limit contained in Section 215.84, Florida Statutes, is applicable to such Bonds.

**SECTION 1.04 RESOLUTION TO CONSTITUTE CONTRACT.** In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the City and such Bondholders. The covenants and agreements herein set forth to be performed by the City shall be for the equal benefit, protection and security of the legal



Holders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

## ARTICLE II

### AUTHORIZATION OF REFUNDING AND ISSUANCE OF BOND; DESCRIPTION, DETAILS AND FORM OF BOND

**SECTION 2.01 AUTHORIZATION OF REFUNDING.** There is hereby authorized the Refunding as described in this Resolution. The cost of the Refunding may include, but need not be limited to, legal and financing expenses; expenses for estimates of costs and of revenues; expenses for computer schedules; the fees of fiscal agents, financial advisors or consultants; and such other costs and expenses as may be necessary or incidental to the financing.

**SECTION 2.02 AUTHORIZATION OF BOND.** Subject and pursuant to the provisions of this Resolution, an obligation of the City to be known as a "Utility Refunding Revenue Bond, Series 2013," herein the "Series 2013 Bond," is hereby authorized to be issued in the principal amount of not exceeding \$5,000,000. The actual amount of the Series 2013 Bond sold shall be specified in the Certificate of Award.

**SECTION 2.03 DESCRIPTION OF BOND.** The Series 2013 Bond shall be issued in the form of a single, fully registered Serial Bond, without coupons; shall be dated the date of its delivery; shall bear interest from its date on the unpaid principal balance at the rate of 1.67% per annum (the "Stated Rate"), calculated on a 30/360-day year basis, such interest to be payable semiannually on April 1 and October 1 of each year, beginning on April 1, 2013; shall be payable in principal installments on April 1 in the years and amounts as set forth in the Certificate of Award; and shall all mature on April 1, 2020. If any payment day is not a business day, then payment will be due on the next succeeding business day, with interest accrued to and including such business day. As long as the Bank is the Bondholder, it shall furnish the City an invoice at least 10 days prior to each interest payment date for the Series 2013 Bond specifying the amount due by the City on the next succeeding interest payment date for the Series 2013 Bond.

If (1) a Determination of Taxability shall occur or (2) state or federal tax laws or regulations in effect on the date of issuance of the Series 2013 Bond are amended after such date to cause the interest on the Series 2013 Bond to be taxable, to be subject to a minimum tax or an alternative minimum tax or to otherwise decrease the after-tax yield on the Series 2013 Bond to the Bondholder (directly or indirectly, in whole or in part), then the Stated Rate shall be adjusted to cause the yield on the

Series 2013 Bond, after payment of any increase in tax, to equal what the yield on the Series 2013 Bond would have been in the absence of such Determination of Taxability or change or amendment in tax laws or regulations. The above adjustments shall be cumulative, but in no event shall the interest on the Series 2013 Bond exceed the maximum permitted by law. The above adjustments to the Stated Rate shall be effective for all periods during which tax treatment of the interest on the Series 2013 Bond by the Bondholder is then affected. Proper partial adjustment shall be made if the tax law change is effective after the first day of the Bondholder's tax year or if the interest on the Series 2013 Bond does not accrue for the entire tax year of the Bondholder.

Any amounts due on the Series 2013 Bond not paid when due shall bear interest at a default rate equal to the Stated Rate plus 2% per annum from and after 5 days from the applicable payment date or dates, until the actual date or dates of payment by the City.

The Bonds shall be payable with respect to both principal and interest in lawful money of the United States of America, by check or draft mailed to the Registered Owners at their addresses as they appear on the registration books at 5:00 p.m. (eastern time) on the Record Date, or at the option of the City, by wire transfer to the Bondholder in accordance with wire instructions furnished by the Bondholder to the City at least one business day before the payment date, or any other means mutually acceptable to the City and the Bondholder. Upon final payment of principal and interest at maturity, the Bonds shall be surrendered to the City.

**SECTION 2.04 EXECUTION OF BONDS.** The Bonds shall be executed in the name of the City by its Mayor or Vice-Mayor (collectively, the "Mayor") and attested and countersigned by its City Clerk, either manually or with their facsimile signatures, and the corporate seal of the City or a facsimile thereof shall be affixed thereto or reproduced thereon. The Certificate of Authentication of the Bond Registrar shall appear on the Bonds, and no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless such certificate shall have been duly executed on such Bond. The authorized signature for the Bond Registrar shall be either manual or in facsimile; provided, however, that at least one of the above signatures, including that of the authorized signature for the Bond Registrar, appearing on the Bonds shall at all times be a manual signature. In case any one or more of the officers who

shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

**SECTION 2.05 NEGOTIABILITY.** The Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Laws of the State of Florida, and each successive Holder, in accepting any of the Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

**SECTION 2.06 REGISTRATION.** Upon surrender to the Bond Registrar for transfer of any Bond, duly endorsed for transfer and duly executed by the Registered Owner or his attorney duly authorized in writing, the Bond Registrar may deliver in the name of the transferee, a new fully registered Bond of the same series, maturity and interest rate and for the principal amount which the Registered Owner is entitled to receive.

All Bonds presented for transfer, prepayment or payment (if so required by the City or the Bond Registrar) shall be accompanied by a written instrument or instruments of transfer, in form and with guaranty of signature satisfactory to the City or the Bond Registrar, duly executed by the Registered Owner or by his duly authorized attorney.

The Bond Registrar or the City may require payment from the Registered Owner or transferee of a sum sufficient to cover any tax, fee or other governmental charge (levied or imposed by a body other than the City) that may be imposed in connection with any transfer of the Bonds, or any fee of bond counsel to the City in connection with the preparation of any new Bond. Such fees, charges and expenses shall be paid before any new Bond shall be delivered.

Interest on and principal installments for the Bonds shall be paid to the Registered Owners whose names appear on the books of the Bond Registrar as of 5:00 p.m. (eastern time) on the Record



Date. Any new Bonds delivered upon any transfer shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by this Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The City and the Bond Registrar may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

**SECTION 2.07 DISPOSITION OF BONDS PAID OR REPLACED.** Whenever any Bond shall be delivered to the Bond Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Bond shall, after cancellation, either be retained by the Bond Registrar for a period of time specified in writing by the City, or at the option of the City, shall be destroyed by the Bond Registrar in accordance with the laws of the State of Florida, and counterparts of a certificate of destruction evidencing such destruction shall be filed with the City.

**SECTION 2.08 BONDS MUTILATED, DESTROYED, STOLEN OR LOST.** In case any Bond shall become mutilated, or be destroyed, stolen or lost, the City, acting through the Bond Registrar, may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner furnishing proof of his ownership and the loss thereof (if lost, stolen or destroyed) and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying (in advance if so required by the City or the Bond Registrar) such taxes, governmental charges, attorneys fees, printing costs and other expenses as the City and/or the Bond Registrar may charge and/or incur. All Bonds so surrendered shall be cancelled by the Bond Registrar. If any such Bond shall have matured or will mature within 45 days, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.08 shall constitute original contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds be at

any time found by anyone; and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien, source and security for payment, pursuant to this Resolution from the funds, as hereinafter pledged, to the same extent as all other Bonds issued under this Resolution.

**SECTION 2.09 PROVISIONS FOR PREPAYMENT.** The outstanding principal payment installments of the Series 2013 Bond may be prepaid in whole, but not in part, prior to their respective payment dates, at the option of the City, on any scheduled payment date, at the price of par and accrued interest to the prepayment date, plus a premium equal to 1% of the principal payment installments to be prepaid.

Notice of such optional prepayment (conditional or otherwise) shall, at least 10 business days prior to the prepayment date, be hand-delivered, telecopied (evidenced by a written transmission report) or e-mailed (evidenced by a written return receipt) by the Bond Registrar to each Holder of Bonds at his address as it appears of record on the books of the Bond Registrar as of 15 days prior to the date fixed for prepayment. Interest shall cease to accrue on the principal amount of the Bonds duly called for prepayment on the prepayment date, if payment thereof has been duly provided. Under such circumstances the privilege of transfer of the Bonds shall be suspended.

**SECTION 2.10 BOND FORM.** The text of the Series 2013 Bond, together with the Certificate of Authentication of the Bond Registrar, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this Resolution; or as may be necessary to comply with applicable laws, rules and regulations of the United States Government and the State of Florida in effect upon the issuance thereof:

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF ALACHUA  
CITY OF ALACHUA  
UTILITY REFUNDING REVENUE BOND, SERIES 2013

KNOW ALL MEN BY THESE PRESENTS, that the City of Alachua, Florida (the "City"), for value received hereby promises to pay to Branch Banking and Trust Company, or registered assigns (the "Registered Owner"), solely from the special funds described below, the principal sum specified above, on April 1 in the years and in the principal installments as follows:

<u>Years</u>	<u>Amounts</u>
2013	\$
2014	
2015	
2016	
2017	
2018	
2019	
2020	

and to pay solely from such special funds, interest (calculated on a 30/360-day year basis) on the balance of such principal sum from time to time remaining unpaid, from the date of this Bond, at the rate of 1.67% per annum (subject to adjustment as provided in the Resolution), payable on April 1, 2013, and semiannually thereafter on each October 1 and April 1 of each year to and including maturity on April 1, 2020, by check or draft mailed to the Registered Owner at its address as it appears on the registration books at 5:00 p.m. (eastern time) on the Record Date (as defined in the Resolution), or at the option of the City, by wire transfer to the Registered Owner in accordance with wire instructions furnished by the Registered Owner to the City at least one business day before the payment date, or other mutually acceptable means. The principal of, any prepayment premium and interest on this Bond are payable in lawful money of the United States of

America. Upon final payment of principal, premium, if any, and interest, this Bond shall be surrendered to the City.

This Bond represents an authorized series of bonds issued to finance the cost of refunding the outstanding Utilities Revenue Bond, Series 1979, and Utility Refunding Revenue Bonds, Series 2003, of the City, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, and other applicable provisions of law, and a resolution duly adopted by the City Commission of the City on January 14, 2013 (the "Resolution"); and is subject to all the terms and conditions of the Resolution.

This Bond and the interest thereon are payable solely from and secured by a prior lien upon and pledge of the net revenues derived by the City from the operation of the System and the Excise Taxes, as such terms are defined in the Resolution (collectively, the "Pledged Revenues"). The lien of the holder of this Bond upon the Excise Taxes may be released under the circumstances specified in the Resolution.

It is expressly agreed by the holder of this Bond that such holder shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Bond or for the making of any sinking fund or other payment specified in the Resolution. This Bond and the indebtedness evidenced thereby shall not constitute a lien upon any other property of or in the City, but shall constitute a lien only upon the Pledged Revenues, in the manner and to the extent provided in the Resolution.

This Bond may be transferred only upon the books of the City kept by the Bond Registrar upon surrender thereof at the principal office of the Bond Registrar with an assignment duly executed by the Registered Owner or its duly authorized attorney, but only in the manner, subject to the limitations and upon payment of a sum sufficient to cover any tax, fee or governmental charge, if any, that may be imposed in connection with any such transfer, as provided in the Resolution. Upon any such transfer, there shall be executed in the name of the transferee, and the Bond Registrar shall deliver, a new registered Bond and in the same principal amount, series, maturity and interest rate as this Bond.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed



precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Statutes and Constitution of the State of Florida applicable thereto; and that the issuance of this Bond and of the issue of bonds of which this Bond is one, does not violate any constitutional or statutory limitation.

This Bond is subject to prepayment under the terms and conditions stated in Section 2.09 of the Resolution. Notice of such prepayment shall be given in the manner and to the extent required by the Resolution.

This Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Laws of the State of Florida.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been executed by the Bond Registrar.

IN WITNESS WHEREOF, the City of Alachua, Florida, has issued this Bond and has caused the same to be executed by its [Vice-]Mayor, and countersigned and attested by its [Deputy] City Clerk, and its corporate seal to be impressed, imprinted or otherwise reproduced hereon, all as of January \_\_, 2013.

CITY OF ALACHUA, FLORIDA

(SEAL)

By: \_\_\_\_\_  
[Vice-]Mayor

ATTESTED AND COUNTERSIGNED:

\_\_\_\_\_  
[Deputy] City [Manager and]Clerk

CERTIFICATE OF AUTHENTICATION OF BOND REGISTRAR

This Bond is one of the bonds of the issue described in the Resolution.

CITY MANAGER AND CLERK  
As Bond Registrar

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Date of Authentication: January \_\_, 2013

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The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -as tenants in  
common

JT TEN - as joint tenants  
with right of survivorship  
and not as tenants in  
common

TEN ENT -as tenants by the  
entireties

UNIF GIF/TRANS MIN ACT - \_\_\_\_\_  
(Cust.)

Custodian for \_\_\_\_\_  
(Minor)

under Uniform Gifts/Transfers to  
Minors Act of \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to \_\_\_\_\_ (PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE) the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as its agent to transfer the Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or change whatever.

Signature guaranteed:

Signature guarantee by guarantor institution participating in Securities Transfer Agents Medallion Program, or in other guarantee program acceptable to Bond Registrar



### ARTICLE III

#### SALE OF BONDS APPLICATION OF BOND PROCEEDS REDEMPTION OF REFUNDED BONDS

**SECTION 3.01 SALE OF BONDS.** Subject to receipt of disclosure and truth-in-bonding statements as required by Section 218.385, Florida Statutes, the Series 2013 Bond in the principal amount of not exceeding \$5,000,000 shall be awarded and sold to the Bank at the price of par in accordance with the Certificate of Award executed and delivered on or prior to the date of delivery of the Series 2013 Bond.

**SECTION 3.02 APPLICATION OF BOND PROCEEDS.** The proceeds from the sale of the Series 2013 Bond shall be applied by the City simultaneously with its delivery to the purchaser thereof, as follows:

A. The City shall pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2013 Bond.

B. An amount, together with other legally available funds of the City, sufficient to pay the principal, interest and applicable redemption premium due on the Redemption Date (as defined below) for the Refunded Bonds, shall be deposited with their holders or paying agents, as applicable.

**SECTION 3.03 REDEMPTION OF REFUNDED BONDS.** The Refunded Bonds are hereby called for redemption, as a whole, on April 1, 2013 (the "Redemption Date"), at a price of par plus accrued interest to the Redemption Date, plus, in the case of the Series 2003 Bonds, a premium equal to 1% of the principal amount of the Series 2003 Bonds to be redeemed. The Notices of Redemption of such Refunded Bonds shall be in substantially the forms attached to this Resolution as Exhibit A.

## ARTICLE IV

### SECURITY AND OPERATIONAL COVENANTS OF CITY

So long as any of the principal of or interest on any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund a sum sufficient to pay, when due, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the City covenants with the Holders of any and all of the Bonds as follows:

**SECTION 4.01 SECURITY FOR BONDS.** Neither the Bonds nor the interest thereon shall be or constitute a general indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from and secured by a prior lien upon and a pledge of the Pledged Revenues as herein provided. No Holder or Holders of any Bonds issued hereunder shall ever have the right to require or compel the exercise of the ad valorem taxing power of the City or taxation in any form of any property therein for payment thereof, or be entitled to payment of such principal and interest from any other funds of the City, except from the Pledged Revenues. Until payment has been provided as permitted by this Resolution, the payment of the principal of and interest on the Bonds shall be secured forthwith equally and ratably by an irrevocable prior lien on the Pledged Revenues, and the City does hereby irrevocably pledge and grant a prior lien upon such Pledged Revenues to the payment of the principal of and interest on the Bonds, the reserves therefor, and for all other required payments hereunder.

**SECTION 4.02 RELEASE OF EXCISE TAXES.** The City may release the pledge of and lien upon the Excise Taxes in favor of the Bondholders if (1) the Net Revenues, as certified by the Finance Director of the City, have exceeded 1.20 times the Debt Service Requirement on all the outstanding Bonds in each of 3 consecutive Fiscal Years; and (2) all payments and deposits required by this Resolution are current. Notice of such release shall be sent to all Bondholders by first class mail, postage prepaid, and kept on file with the City.

**SECTION 4.03 CREATION OF FUNDS AND ACCOUNTS.** The following Funds and Accounts are hereby created and established: the Revenue Fund, the Sinking Fund (including the Reserve Account and the Bond Amortization Account therein), the Operation and

Maintenance Fund and the Renewal, Replacement and Improvement Fund.

**A. TRUST FUNDS.** The Funds and Accounts created and established above and any other special funds and accounts created and established by this Resolution shall constitute trust funds for the purposes provided herein for such Funds and Accounts, and shall be kept separate and distinct from all other funds of the City and used only for the purposes and in the manner herein provided. All such Funds and Accounts shall be continuously secured in the same manner as municipal deposits are authorized to be secured by the laws of the State of Florida.

**B. GOVERNMENT ACCOUNTING EFFECT.** The cash required to be accounted for in each of the Funds and Accounts established herein may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such Funds and Accounts. The designation and establishment of the various Funds and Accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of Pledged Revenues and certain assets of the System for certain purposes and to establish certain priorities for application of such Pledged Revenues and assets as herein provided.

**SECTION 4.04 APPLICATION OF REVENUES.** Pledged Revenues shall be applied as follows:

**A. REVENUE FUND.** Pledged Revenues shall be deposited as received in the Revenue Fund established pursuant to Section 4.03 hereof (the "Revenue Fund"), and shall be disposed of on or before the 25th day of each month, commencing in the month immediately following the delivery of the Bonds, only in the following manner and in the following order of priority.

**B. OPERATION AND MAINTENANCE FUND.** Pledged Revenues shall first be deposited into the Operation and Maintenance Fund established pursuant to Section 4.03 hereof (the "Operation and Maintenance Fund"), in such sum as is necessary for the Cost of Operation and Maintenance for the next ensuing month as determined by the City Clerk, or his or her designee.

**C. SINKING FUND.** Pledged Revenues shall next be applied and allocated to the Sinking Fund in such sums as will be sufficient to pay 1/6th of all interest becoming due on the Current Interest Paying Bonds on the next semiannual interest payment date therefor, plus the amount of any prior deficiencies (if Bonds with a variable rate of interest are outstanding, the City shall deposit in lieu of the 1/6th interest deposit described above, the interest actually accruing on such Bonds for such month, assuming the interest rate thereon on the first day of such month will continue through the end of such month, plus any deficiencies in interest deposits for the preceding month); 1/6th or 1/12th, as the case may be, of all principal maturing on the Current Interest Paying Serial Bonds on the next maturity date, plus the amount of any prior deficiencies; and 1/6th or 1/12th, as the case may be, of the Compounded Amount next becoming due on any Serial Capital Appreciation Bonds whether by reason of maturity or earlier redemption thereof, plus the amount of any prior deficiencies; and an amount sufficient to pay the fees and charges of the Bond Registrar and paying agent. In the event the first interest payment date or first principal maturity date shall occur either more or less than 6 months or 12 months, as the case may be, after the delivery of any of the Bonds, then the payments required above shall be adjusted accordingly to provide for the payment of such principal and interest.

**D. BOND AMORTIZATION ACCOUNT.** On a parity with the deposits required by the preceding paragraph, Pledged Revenues shall simultaneously be applied and allocated to the Bond Amortization Account, to the extent required, in such sums as will be equal to 1/12th of the Amortization Installment required to be made on the next annual payment date for Term Bonds, plus the amount of any prior deficiencies. Such allocations shall be credited to a separate special account for each series of Term Bonds outstanding, and if there shall be more than one stated maturity for Term Bonds of a series, then into a separate special account in the Bond Amortization Account for each such separate maturity of Term Bonds.

Upon the sale of any Term Bonds, the City shall, by resolution of the Commission or the bond purchase contract, as applicable, establish the amounts and maturities of such Amortization Installments, and if there shall be more than one maturity of Term Bonds, the Amortization Installments for the Term Bonds of each maturity.



Credit shall be allowed against the total interest, Amortization Installment and principal due on the next interest and principal payment dates, respectively, for any other funds on hand and available for such purposes in the Sinking Fund and Bond Amortization Account.

Money held for the credit of the Bond Amortization Account shall be applied to the redemption or open market purchase (at not exceeding the price of par and accrued interest) of Term Bonds in accordance with the mandatory redemption provisions and/or the schedule of Amortization Installments for such Term Bonds. Amortization Installments for any Term Bonds shall be reduced on a reasonably proportionate basis to the extent that such Term Bonds are purchased in the open market, or shall be adjusted as otherwise approved by the Finance Director of the City. The City shall pay from the Sinking Fund all expenses in connection with such purchase or redemption.

**E. RESERVE ACCOUNT.** Pledged Revenues shall next be applied by the City to maintain in the Reserve Account established pursuant to Section 4.03 hereof (the "Reserve Account"), a sum equal to the Reserve Account Requirement. Such sum shall initially be deposited therein either (1) from the proceeds of sale of the Bonds, (2) from the money in the reserve accounts for any refunded Bonds or (3) from a combination of the foregoing. Any withdrawals from the Reserve Account shall be restored within 12 months by depositing therein an amount equal to 1/12th of such withdrawal. No further payments shall be required to be made into the Reserve Account when there has been deposited therein and as long as there shall remain on deposit therein a sum equal to the Reserve Account Requirement. The Authorized Investments on deposit in the Reserve Account shall be valued annually on the last day of the Fiscal Year at their fair market value, excluding accrued interest, in accordance with generally accepted accounting practice. Any deficiency due to market fluctuation in the amount of Authorized Investments on deposit in the Reserve Account shall be restored no later than the succeeding valuation date.

Notwithstanding the foregoing, the City shall not be required to fully capitalize the Reserve Account on the date of issuance of the Bonds from proceeds of the sale of the Bonds if it provides on the date of issuance of the Bonds (1) a bond reserve insurance policy issued by a licensed municipal bond insurer whose claims-paying ability is rated at least "AA" or "Aa" by S&P or Moody's, respectively, or (2) an unconditional

irrevocable letter of credit ("LOC") issued by any bank or national banking association insured by FDIC whose own debt securities are rated at least "AA" by S&P, in an amount equal to the difference between the Reserve Account Requirement and the amount otherwise deposited therein pursuant to the preceding paragraph.

At any time after the issuance of the Bonds, the City may, in its discretion, withdraw the amount of money on deposit in the Reserve Account and substitute in its place, a bond reserve insurance policy or LOC as described in (1) or (2) of the preceding paragraph, in the face amount of such withdrawal, and deposit the surplus money so withdrawn into the Sinking Fund or use it for any other lawful purpose.

The LOC shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Bonds. The draws shall be payable within 2 days of presentation of the sight draft. The LOC shall be for a term of not less than 3 years. The issuer of the LOC shall be required to notify the City and the Bond Registrar, not later than 30 months prior to the stated expiration date of the LOC, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date. If such notice indicates that the expiration date shall not be extended, the City shall deposit in the Reserve Account an amount sufficient to cause the cash or Authorized Investments on deposit in the Reserve Account, together with any other qualifying credit instruments, to equal the Reserve Account Requirement on all outstanding Bonds, such deposit to be paid in equal installments on at least a semiannual basis over the remaining term of the LOC, unless the Reserve Account credit instrument is replaced by a Reserve Account credit instrument meeting the requirements in the second paragraph of this Section 4.04E. The LOC shall permit a draw in full not less than 2 weeks prior to the expiration or termination of such LOC if the LOC has not been replaced or renewed. The Bond Registrar shall draw upon the LOC prior to its expiration or termination, unless an acceptable replacement is in place or the Reserve Account is fully funded in its required amount.

The use of any Reserve Account credit instrument pursuant to this Section 4.04E shall be subject to receipt of an opinion of counsel acceptable to the City and in form and substance satisfactory to the City as to the due authorization, execution,

delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the City. In addition, and if required by the City, the use of an irrevocable LOC shall be subject to receipt of an opinion of counsel acceptable to the City and in form and substance satisfactory to the City to the effect that payments under such LOC would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the City (or any other account party under the LOC).

The obligation to reimburse the issuer of a Reserve Account credit instrument for any fees, expenses, claims or draws upon such Reserve Account credit instrument shall be subordinate to the payment of debt service on the Bonds. The right of the issuer of a Reserve Account credit instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Account, and, subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Reserve Account. The Reserve Account credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Account credit instrument to reimbursement will be further subordinated to cash replenishment of the Reserve Account to an amount equal to the difference between the full original amount available under the Reserve Account credit instrument and the amount then available for further draws or claims. If (1) the issuer of a Reserve Account credit instrument becomes insolvent, or (2) the issuer of a Reserve Account credit instrument defaults in its payment obligations thereunder, or (3) the claims-paying ability of the issuer of the insurance policy falls below a S&P "AA" or a Moody's "Aa," or (4) the rating of the issuer of the LOC falls below an S&P "AA," the obligation to reimburse the issuer of the Reserve Account credit instrument shall be subordinate to the cash replenishment of the Reserve Account.

If (1) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (2) the



rating of the claims paying ability of the issuer of the insurance policy falls below an S&P "AA" or a Moody's "Aa," or (3) the rating of the issuer of the LOC falls below an S&P "AA," the City shall either (a) deposit into the Reserve Account an amount sufficient to cause the cash or Authorized Investments on deposit in the Reserve Account to equal the Reserve Account Requirement on all outstanding Bonds, such amount to be paid over the ensuing 5 years in equal installments deposited at least semiannually, or (b) replace such instrument with an insurance policy or LOC meeting the requirements in the second paragraph of this Section 4.04E within 6 months of such occurrence.

In the event (1) the rating of the claims-paying ability of the issuer of the insurance policy falls below "A," or (2) the rating of the issuer of the LOC falls below "A," or (3) the issuer of the Reserve Account credit instrument defaults in its payment obligations, or (4) the issuer of the Reserve Account credit instrument becomes insolvent, the City shall either (a) deposit into the Reserve Account an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Account to be equal to the Reserve Account Requirement on all outstanding Bonds, such amount to be paid over the ensuing 2 years in equal installments on at least a quarterly basis, or (b) replace such instrument with an insurance policy or LOC meeting the requirements in the second paragraph of this Section 4.04E within 6 months of such occurrence.

Where applicable, the amount available for draws or claims under the Reserve Account credit instrument may be reduced by the amount of cash or Authorized Investments deposited in the Reserve Account pursuant to clause (a) of the preceding paragraph.

If the City chooses the above-described alternatives to a cash-funded Reserve Account, any amounts owed by the City to the issuer of such credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of Debt Service Requirements required to be made herein for any purpose, such as the rate covenant or additional bonds test.

The Bond Registrar shall ascertain the necessity for a claim or draw upon the Reserve Account credit instrument, and provide notice to the issuer of the Reserve Account credit instrument in accordance with its terms, not later than 3 days (or such longer period as may be necessary depending on the



permitted time period for honoring a draw under the Reserve Account credit instrument) prior to each interest payment date.

Cash on deposit in the Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Account credit instrument. If and to the extent that more than one Reserve Account credit instrument is deposited in the Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

Money in the Reserve Account shall be used only for the purpose of the payment of maturing Amortization Installments or principal of or interest on the Bonds when the other money allocated to the Sinking Fund and Bond Amortization Account is insufficient therefor, and for no other purpose. However, if and whenever the money applied and allocated to the Reserve Account exceeds the Reserve Account Requirement on all then outstanding Bonds, such excess shall be withdrawn and deposited into the Sinking Fund.

*The Reserve Account Requirement for the Bonds initially issued under this Resolution is \$0.00 and the Reserve Account shall not be funded for such Bonds. The Registered Owners of such Bonds shall have no right to receive the payment of principal of, prepayment premium, if any, or interest on such Bonds from the Reserve Account.*

The Reserve Account Requirement for any Additional Parity Bonds shall be set forth in the resolutions of the Commission authorizing their issuance. Subaccounts in the Reserve Account may be established for Additional Parity Bonds, at the option of the City.

**F. COMPLETION OF FUNDING REQUIREMENT.** The City shall not be required to make any further applications or allocations to the Sinking Fund (including the Bond Amortization Account and the Reserve Account therein) as long as the aggregate sums applied and allocated thereto are and remain at least equal to the sum of all of the annual Debt Service Requirements then due and becoming due in all ensuing years for the Bonds then outstanding, plus the amount of redemption or prepayment premiums, if any, then due and thereafter to become due on the Bonds then outstanding by operation of the Bond Amortization Account.

**G. RENEWAL, REPLACEMENT AND IMPROVEMENT FUND.** Pledged Revenues shall next be applied and allocated to the Renewal, Replacement and Improvement Fund established pursuant to Section 4.03 hereof (the "Renewal, Replacement and Improvement Fund"), in an amount equal to 1/12th of 3% of the Gross Revenues of the System for the previous Fiscal year until there shall be on deposit therein \$250,000. If the Consulting Engineers shall have recommended in writing a higher amount for anticipated requirements for renewals, replacements, extensions and additions to the System, and the City subsequently approves such recommendation, the foregoing monthly deposits shall be adjusted as appropriate to ensure accumulation of such revised amount within 5 years. Thereafter, any withdrawals shall be restored within 5 years by depositing therein an amount equal to 1/60th of such withdrawal. The money in the Renewal, Replacement and Improvement Fund shall be used only for the purpose of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the System or for unusual or extraordinary repairs thereto, except that the money in such Fund shall first be used to supplement the Reserve Account whenever necessary to prevent a default in the payment of principal, Amortization Installments and interest on the Bonds, and to restore any deficiency in the Reserve Account.

**H. BALANCE OF REVENUES.** Thereafter the balance of any Revenues remaining after the above required payments (including deficiencies for prior payments) have been made may be used by the City for any lawful purpose.

**I. INVESTMENT AND DISPOSITION OF INVESTMENT INCOME.** Pledged Revenues on deposit in the Revenue Fund, the Operation and Maintenance Fund, the Sinking Fund (excluding the Reserve Account therein) and the Renewal, Replacement and Improvement Fund may be invested and reinvested only in Authorized Investments maturing not later than the date on which the money therein will be needed. Revenues in the Reserve Account may be invested and reinvested in Authorized Investments, provided such investments mature not later than 5 years from their respective dates of purchase.

Any and all income received by the City from such investments of Pledged Revenues in the above Funds and Accounts shall be deposited into the Revenue Fund. All investments of money on deposit from time to time in the Funds and Accounts

created and established by this Resolution shall be valued at the cost thereof.

**SECTION 4.05 RATE COVENANT.** The City will fix, establish and maintain such rates and will collect such fees, rentals and other charges for the use of the products, services and facilities of the System and revise the same from time to time, whenever necessary, as will always provide Gross Revenues in each Bond Year which, when added to the Excise Taxes (if then pledged as security for the payment of the Bonds), will be sufficient to pay 100% of the Cost of Operation and Maintenance, 120% of the current Debt Service Requirement and 100% of all reserve and renewal and replacement payments. Such rates, fees, rentals or other charges shall not be reduced so as to be insufficient to provide Pledged Revenues for such purposes.

The City further covenants and agrees that it will annually within a reasonable time after adoption of the budget described in Section 4.07 hereof, revise such fees, rates, rentals and other charges for the use of the services and facilities of the System to the extent necessary to comply with the rate covenant contained in the preceding paragraph.

The City will not reduce its schedule of rates, fees, rentals and other charges unless (1) the City is not in breach of any covenant or provision of this Resolution, (2) all required payments under this Resolution have been made in full, and (3) the Consulting Engineers certify that the proposed reduced schedule will provide sufficient Pledged Revenues in each Bond Year to comply with all covenants and required payments under this Resolution.

**SECTION 4.06 ACCOUNTING RECORDS.** The City shall maintain separately identifiable accounting records for the operation of the System by the use of an enterprise fund as such term is commonly used in governmental accounting, and any Bondholder shall have the right at all reasonable times to inspect all records, accounts and data of the City relating thereto.

**SECTION 4.07 ANNUAL BUDGET AND AUDIT.** The City shall after the close of each Fiscal Year, cause the books, records and accounts relating to the Pledged Revenues and the System to be properly audited by an Accountant, and shall require the Accountant to complete its audit report within 210 days after the close of the Fiscal Year. Such audit shall contain, but not be limited to, the financial statements and reports required by

generally accepted accounting principles applicable to governmental units, including a statement of the Pledged Revenues received during such Fiscal Year. A statement by the Accountant shall accompany the annual audit stating that no breach on the part of the City of any covenant herein has been disclosed by reason of such audit or, alternatively, specifying in reasonable detail the nature of such breach. A copy of such annual audit shall be made available, at all reasonable times, for inspection by any Bondholder upon request. If the Bank is then the Holder of the Series 2013 Bond, the City will deliver such annual audit to the Bank within 210 days after the close of the Fiscal Year.

The City shall annually prepare and adopt, or cause to be prepared and adopted, on or prior to the beginning of such Fiscal Year, a detailed budget of the estimated income and expenditures for operation and maintenance of the System during such next succeeding Fiscal Year. The City shall make such annual budget available for inspection and copying at reasonable times by any Holder or Holders of Bonds, upon request therefor.

**SECTION 4.08 MORTGAGE OR SALE OF THE FACILITIES.** As long as any of the Bonds are outstanding, the City irrevocably covenants, binds and obligates itself not to sell, lease, encumber or in any manner dispose of the System as a whole or substantially as a whole.

The City may sell or dispose of, for fair market value, any properties or parts of the System if the Consulting Engineer certifies in writing that (1) such properties or parts of the System are not necessary for the continued operation of the System and (2) the sale or disposal of such properties or parts of the System will not adversely affect the Revenues to such an extent that the City will fail to comply with the covenants of this Resolution, and particularly the rate covenant contained in Section 4.05 hereof; provided, however, the City shall have and hereby expressly reserves the right to sell, lease or otherwise dispose of any of the other property comprising a part of the System, not in excess of 10% of the book value of the fixed assets of the System according to the most recent annual audit, that it shall, in its sole discretion, determine to be no longer necessary or useful for the continued operation of the System.

The proceeds derived from any sale or disposal of any properties or parts of the System as described in the above paragraph shall, in the discretion of the City, be (1) deposited in the Renewal, Replacement and Improvement Fund and used for the



purposes of such Fund, or (2) used for the purchase or retirement of the Bonds.

**SECTION 4.09 INSURANCE.** For so long as any of the Bonds are outstanding, the City will make adequate provision to maintain adequate fire and windstorm insurance on all buildings and structures of the works and properties of the System which are subject to loss through fire or windstorm; public liability insurance; and other insurance of such types and in such amounts as are normally carried in the operation of similar public utilities within the State of Florida, for all of which insurance the City may be a self-insurer to the extent permitted by law. Any such insurance shall be placed with nationally recognized and reputable insurers or under authorized self-insurance programs or any combination of both and shall be carried for the benefit of the Holders of the Bonds. All money received for losses under any of such insurance, except public liability, and for de minimus items which are not integral for the operation of the System and which are not revenue producing, are hereby pledged by the City as security for the Bonds, until and unless such proceeds are used to remedy the loss or damage for which such proceeds are received, either by repairing the property damaged or replacing the property destroyed with due diligence after the receipt of such proceeds.

**SECTION 4.10 NO FREE SERVICE.** The City will not render or cause to be rendered any free services of any nature by its System. The City, including its departments, agencies and instrumentalities, shall avail itself of the services provided by the System, or any part thereof, and the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged to the City and any such department, agency or instrumentality. Such charges shall be paid as they accrue, and the City shall transfer from its relevant funds sufficient sums to pay such charges. The revenues so received shall be deemed to be Revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other Revenues derived from such operation of the System.

**SECTION 4.11 DISCRETIONARY CUT OFF.** The City shall establish a written policy consistent with sound business judgment for the disconnection from the System of any customer who fails to pay for services rendered by the System, and shall enforce such policy diligently and fairly.

**SECTION 4.12 CONSULTANTS.** The City will retain Consulting Engineers from time to time as needed to perform the duties set forth herein.

**SECTION 4.13 NO COMPETING FACILITIES.** The City, to the full extent permitted by law, will not grant, or cause, consent to, or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever, for the furnishing of services which will materially compete with those of the System.

**SECTION 4.14 ENFORCEMENT OF COLLECTIONS.** The City will diligently enforce and collect the Pledged Revenues; will take all reasonable steps, actions and proceedings for the enforcement and collection of such Pledged Revenues as shall become delinquent; and will maintain accurate records with respect thereof. All such Pledged Revenues shall, as collected, be held in trust to be applied as herein provided.

**SECTION 4.15 OPERATION AND MAINTENANCE.** The City will maintain or cause to be maintained the System and all parts thereof in good condition; and will operate or cause to be operated the same in compliance with the applicable provisions of law and in an efficient and economical manner, making or causing to be made such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

**SECTION 4.16 CONNECTIONS WITH SYSTEM.** The City will, to the full extent permitted by law, and in accordance with its Code of Ordinances, require all lands, buildings and structures within the service area which can use the facilities and services of the System, to connect with and use the facilities and services of the System, and to cease the use of all other comparable facilities and services.

**SECTION 4.17 ISSUANCE OF ADDITIONAL OBLIGATIONS.** Except as provided below, the City hereby covenants and agrees not to incur any other obligations or indebtedness payable from the same sources as the Bonds, unless such obligations contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to lien on and source and security for payment from the Pledged Revenues. No Additional Parity Bonds shall be issued after the issuance of any Bonds, herein authorized, except for the construction and acquisition of additions, extensions and improvements to the System or for

refunding purposes, and except upon the conditions and in the manner provided in (1) through (4), inclusive, below.

(1) There shall have been obtained and filed with the City a certificate of an Accountant or Consulting Engineer, or the chief financial officer of the City: (a) stating that the books and records of the City relating to the collection and receipt of Net Revenues have been reviewed by him or her; (b) stating that the Net Revenues for any 12 consecutive months out of the 24 month period immediately preceding the proposed date of delivery of such Additional Parity Bonds with respect to which such certificate is made, equal at least 1.20 times the average Debt Service Requirement on (i) all Bonds and all Additional Parity Bonds, if any, then outstanding and (ii) the Additional Parity Bonds with respect to which such certificate is made, taking into account any adjustments made pursuant to paragraph (2) below.

(2) If desirable, the Net Revenues for such 12 month period may be adjusted as follows: (a) to reflect for such period changes made in the rates, fees, rentals or other charges for the operation of the System during the preceding 24 months; and (b) to reflect any change in such Net Revenues caused by any new customers of the System having been provided service subsequent to the date of commencement of such preceding period and prior to the date of such certification provided for in paragraph (1) above.

(3) The City shall not be required to comply with the requirements of paragraph (1) above with respect to any Additional Parity Bonds issued for the sole purpose of refunding a portion of the outstanding Bonds, as long as the average Debt Service Requirement for such Additional Parity Bonds is equal to or less than the average Debt Service Requirement for the refunded Bonds.

(4) Each resolution authorizing the issuance of Additional Parity Bonds will recite that all of the covenants herein contained applicable to the Additional Parity Bonds, will be applicable to such Additional Parity Bonds.

(5) The City shall not be in breach of the covenants and obligations assumed hereunder, and all payments herein required to have been made into the Funds and Accounts, as provided hereunder, shall have been made to the full extent required.

**SECTION 4.18 IMPACT FEES IN COVERAGE TESTS.** For the purposes of compliance with the coverage tests of the rate covenant in Section 4.05 and the additional bonds test in Section 4.17(1) hereof, Impact Fees may be included in the calculation of Revenues to the extent they are legally available to pay Debt Service Requirements and are actually deposited into the Sinking Fund for such purpose during the time in question.

## ARTICLE V

### REMEDIES AND TAX EXEMPTION

**SECTION 5.01 REMEDIES.** Any trustee or any Holder of Bonds acting for the Holders of all Bonds may by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein, and may enforce and compel the performance of all duties herein required or by any applicable statutes to be performed by the City or by any officer thereof. Nothing herein, however, shall be construed to grant to any Holder of such Bonds any lien on any property of or within the corporate boundaries of the City, except as provided herein. No Holder of Bonds, however, shall have any right in any manner whatever to affect, disturb or prejudice the security of this Resolution or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of Bonds.

**SECTION 5.02 TAX EXEMPTION.** The City at all times while the Series 2013 Bond and the interest thereon are outstanding will comply with the requirements of the Code to the extent necessary to preserve the exemption from federal income taxation of the interest on the Series 2013 Bond. The chief financial officer of the City, or his or her designee, is authorized to make or effect any election, selection, choice, consent, approval or waiver on behalf of the City with respect to the Series 2013 Bond as the City is required to make or give under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or characterization of the Series 2013 Bond, or interest thereon, or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties thereon, or making payments in lieu thereof, or obviating such amounts or payments, as determined by such officer, or his or her designee.

Furthermore, the Series 2013 Bond is hereby designated a "qualified tax-exempt obligation" under Section 265(b)(3)(B) of the Code.



## ARTICLE VI

### MISCELLANEOUS PROVISIONS

**SECTION 6.01 MODIFICATION OR AMENDMENT.** No adverse material modification or amendment of this Resolution or of any ordinance or resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the Holders of 51% or more in aggregate principal amount of the Bonds to be affected by such modification or amendment; provided, however, that no modification or amendment shall permit a change in the maturity of the Bonds or a reduction in the rate of interest thereon, or in the amount of principal obligation thereof, or affect the promise of the City to pay the principal of and interest on the Bonds as the same shall become due from the Pledged Revenues, or reduce the percentage of the Holders of the Bonds required to consent to any adverse material modification or amendment hereof without the consent of the Holders of all Bonds. For the purpose of computing the amount of Bonds held by the Holder of Capital Appreciation Bonds, the principal amount of a Capital Appreciation Bond shall be deemed to be its Compounded Amount.

**SECTION 6.02 SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

**SECTION 6.03 DEFEASANCE.** If, at any time, the City shall have paid, or shall have made provision for the payment of, the principal and interest with respect to the Bonds, then, and in that event, the pledge of and lien on the Pledged Revenues in favor of the Bondholders shall be no longer in effect. For purposes of the preceding sentence, deposit of sufficient cash and/or principal and interest of Federal Securities in irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders, to make timely payment of the principal, interest, and prepayment premium, if any, on the outstanding Bonds, shall be considered "provision for payment."

**SECTION 6.04 INTERESTED PARTIES.** Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Bond Registrar or any other paying agent and the Holders, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements contained in this Resolution, by and on behalf of the City, shall be for the sole and exclusive benefit of the City, the Bond Registrar or any other paying agent and the Holders.

**SECTION 6.05 UNCLAIMED MONEY.** Notwithstanding any provisions of this Resolution, any money held by the paying agent for the payment of the principal or redemption or prepayment price of, or interest on, any Bonds and remaining unclaimed for one year (or such shorter period as shall prevent the escheat of such money to the State of Florida) after the applicable date or dates when such principal, redemption or prepayment price or interest has become due and payable (whether at maturity, call for redemption or prepayment or otherwise), if such money were so held at such date or dates, or one year (or such shorter period as shall prevent the escheat of such money to the State of Florida) after the date or dates of deposit of such money if deposited after such date or dates, shall be repaid to the City free from the provisions of this Resolution, and all liability of the paying agent with respect to such money shall thereupon cease; provided, however, that before the repayment of such money to the City as aforesaid, the paying agent first mail a notice, in such form as may be deemed appropriate by the paying agent with respect to the Bonds so payable and not presented, or unclaimed interest thereon, and with respect to the provisions relating to the repayment to the City of the money held for the payment thereof.

**SECTION 6.06 NECESSARY ACTION.** The proper officers of the City are hereby designated agents of the City in connection with the issuance of the Bonds, and are authorized and empowered, individually or collectively, to take all action and steps and to execute and deliver any and all instruments, documents or contracts on behalf of the City which are required by this Resolution and/or are necessary and desirable in connection with the execution and delivery of the Bonds, and which are not inconsistent with this Resolution and any other action relating to the Bonds.

**SECTION 6.07 REPEAL OF INCONSISTENT RESOLUTIONS.** All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

**SECTION 6.08 EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption this 14th day of January, 2013.

Adopted this 14th day of January, 2013.

(SEAL)

CITY OF ALACHUA, FLORIDA

ATTESTED AND COUNTERSIGNED:

By:

  
Gib Coerper, Mayor


  
City Manager and Clerk

Exhibit A

NOTICE OF REDEMPTION  
CITY OF ALACHUA, FLORIDA  
UTILITIES REVENUE BOND, SERIES 1979

NOTICE IS HEREBY GIVEN by the City of Alachua, Florida (the "City"), that the outstanding Utilities Revenue Bond, Series 1979, dated and originally issued on \_\_\_\_\_, 19\_\_, by the City, which is payable in installments on April 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2013	\$35,000	5.00%
2014	37,000	5.00
2015	38,000	5.00
2016	40,000	5.00
2017	43,000	5.00
2018	45,000	5.00
2019	48,000	5.00

and which are redeemable as a whole on April 1, 2013 (the "Redemption Date"), at the option of the City, at the redemption price of the outstanding principal amount of the bond, together with interest accrued thereon to the date fixed for redemption (collectively, the "Redemption Price"), will be redeemed on the Redemption Date.

Payment of the Redemption Price will be made on the Redemption Date at the office of Berkadia, 118 Welsh Road, Horsham, PA 19044, servicer of the holder of such bond, or such other address specified by the servicer. Interest on the bond will cease to accrue from and after the Redemption Date.

Dated and mailed \_\_\_\_\_, 2013.

CITY OF ALACHUA, FLORIDA

By /s/ Traci L. Cain  
City Manager and Clerk



Exhibit A (Continued)

NOTICE OF REDEMPTION  
CITY OF ALACHUA, FLORIDA  
UTILITY REFUNDING REVENUE BONDS, SERIES 2003

NOTICE IS HEREBY GIVEN by the City of Alachua, Florida (the "City"), that the outstanding Utility Refunding Revenue Bonds, Series 2003, of the City, dated August 15, 2003, and originally issued on September 4, 2003, maturing on April 1 in the years and amounts, and bearing interest at the rates per annum and the CUSIP numbers as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP#</u>
2013	\$635,000	3.85%	010713GQ2
2014	655,000	4.00	010713GR0
2015	685,000	4.05	010713GS8
2016	715,000	4.15	010713GT6
2017	740,000	4.25	010713GU3
2018	775,000	4.35	010713GV1
2019	810,000	4.45	010713GW9
2020	890,000	4.55	010713GX7

and which are redeemable as a whole on April 1, 2013 (the "Redemption Date"), at the option of the City, at the par amount of the bonds to be so redeemed plus a premium of 1% of the bonds being redeemed (the "Redemption Price"), together with interest accrued thereon to the Redemption Date, will be redeemed on the Redemption Date.

Payment of the Redemption Price, plus accrued interest, of the bonds will be made on the Redemption Date, at the office of The Bank of New York Mellon Trust Company in Dallas, Texas. Interest on the bonds being redeemed will cease to accrue from and after the Redemption Date.

Dated and mailed \_\_\_\_\_, 2013.

CITY OF ALACHUA, FLORIDA

By /s/ Traci L. Cain  
City Manager and Clerk

CERTIFICATE OF AWARD

In accordance with Resolution No. 13-07 of the City Commission of the City of Alachua, Florida (the "City"), duly adopted on January 14, 2013 (the "Bond Resolution"), authorizing the issuance of its \$4,800,000 Utility Refunding Revenue Bond, Series 2013 (the "Bond"), the City has determined that the conditions in Section 3.01 of the Bond Resolution have been satisfied; and that the Bond, payable in annual principal installments on April 1 in the amounts as follows:

<u>Year</u>	<u>Amount</u>
2013	\$105,000
2014	635,000
2015	650,000
2016	660,000
2017	665,000
2018	680,000
2019	695,000
2020	710,000

and bearing interest at the rate of 1.67% per annum, is hereby awarded to Branch Banking and Trust Company at the price of par and upon the terms and conditions contained in the Bond Resolution.

Dated January 30, 2013.

CITY OF ALACHUA, FLORIDA

By:   
City Manager and Clerk

## CLOSING CERTIFICATE OF CITY

We, the undersigned officers of the City of Alachua, Florida (the "City"), hereby certify, in connection with the execution and delivery of the obligation of the City (the "Bond") described below:

\$4,800,000 – UTILITY REFUNDING REVENUE BOND, SERIES 2013; dated the date of its delivery; bearing interest at the rate of 1.67% per annum (payable on April 1, 2013, and semiannually thereafter on October 1 and April 1 of each year); payable in principal installments on April 1, 2013, and annually thereafter on April 1 of each year; and maturing on April 1, 2020;

being issued on the date hereof pursuant to Resolution No. 13-07 of the City Commission (the "Commission") of the City duly adopted on January 14, 2013 (the "Bond Resolution"), that (1) as of this date, there is no litigation or other proceedings pending or, to our knowledge, threatened in any court or other tribunal, state or federal, (a) to restrain or enjoin the sale, execution or delivery of the Bond or the payment, collection or application of the proceeds of the sale of the Bond; or (b) in any way contesting or affecting the validity of the Bond Resolution, the Bond or any proceedings in connection therewith, or the pledge of the Pledged Revenues; or (c) contesting the powers of the Commission or the City, or the corporate existence of the City; or (d) contesting or affecting any authority for the issuance of the Bond, the adoption of the Bond Resolution or the titles of the present members of the Commission, or any of them, to their respective offices; and (2) none of the proceedings or authority for the issuance of the Bond have been repealed, revoked or rescinded. Terms not otherwise defined herein shall have the meanings ascribed to them by the Bond Resolution.

We further certify that:

1. The names of the members of the Commission set forth below, and the dates of commencement and expiration of their respective terms of office, are as follows:

<u>Members</u>	<u>Term Began</u>	<u>Term Ends</u>
Gib Coerper, Mayor	April 2009	April 2013
Robert Wilford, Vice-Mayor	April 2009	April 2013
Ben Boukari, Jr.	April 2010	April 2014
Shirley G. Brown	April 2011	April 2015
Gary Hardacre	April 2012	April 2016

2. Gib Coerper is the current duly elected Mayor of the Commission. His term of office as Mayor began in May 2012 and ends in April 2013. Robert Wilford is the current duly elected Vice-Mayor of the Commission. His term of office as Vice-Mayor began in May 2012 and ends in April 2013.

3. Traci L. Cain is the duly acting and appointed City Manager and Clerk of the Commission. She serves at the pleasure of the Commission.



4. All of the above persons have duly filed their oaths of office and/or bonds or undertakings in the amount and/or manner required by law.

5. The execution and delivery of the Bond have been duly authorized by all necessary action of the Commission in compliance with all State of Florida laws applicable to the Bond as of the date hereof, and the Bond is properly executed by the undersigned Mayor and Clerk.

6. At the date of execution of the Bond, and on this date, the undersigned Mayor and Clerk were and are the duly chosen, qualified and acting officers authorized to execute the Bond as indicated by the official titles opposite their signatures hereunder.

7. The seal impressed upon this certificate is the legally adopted, proper and only official seal of the Commission; and such seal has been impressed upon the Bond.

8. On the date of delivery of the Bond, the City received from Branch Banking and Trust Company (the "Purchaser"), full payment for the Bond computed as follows:

Contract Price	\$4,800,000
Less Purchaser Fees and Counsel	<u>(3,500)</u>
Total Purchase Price	\$4,796,500

9. There are no outstanding obligations of the City payable from and/or secured by the Pledged Revenues other than the Refunded Bonds, which are being refunded in connection with the issuance of the Bonds.

10. To the best of our knowledge, none of the above members of the Commission have, with the exception of the official meeting on January 14, 2013, met together with any other member or members of the Commission and reached a conclusion as to the actions to be taken by the City with regard to the Bond, the security therefore or the application of the proceeds therefrom, or any other material matters in regard to the Bond.

[Signatures to Follow]

WITNESS our hands and such corporate seal this January 30, 2013.

(SEAL)

Signature

Official Title

  
\_\_\_\_\_  
Gib Coerper

Mayor, City Commission, City  
of Alachua, Florida

  
\_\_\_\_\_  
Traci L. Cain

City Manager and Clerk,  
City of Alachua, Florida

[Signature Page | Closing Certificate of City]

**TAX CERTIFICATE AS TO ARBITRAGE AND  
THE PROVISIONS OF SECTIONS 141-150 OF  
THE INTERNAL REVENUE CODE OF 1986, AS AMENDED**

\$4,800,000

CITY OF ALACHUA, FLORIDA  
UTILITY REFUNDING REVENUE BOND, SERIES 2013

In connection with the issuance by the City of Alachua, Florida (the "City") of its \$4,800,000 Utility Refunding Revenue Bond, Series 2013 (the "Series 2013 Bond") and pursuant to Section 1.148-2(b)(2) of the Income Tax Regulations (the "Regulations"), the City makes and enters into the following Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, as amended (the "Code").

The City acknowledges that the opinion of Bond Counsel regarding the exclusion of interest on the Series 2013 Bond from gross income under Section 103(a) and Sections 141-150 of the Code is rendered in reliance upon the representations and statements of fact and expectations contained herein and assumes the City's continued compliance with the provisions of this Certificate.

1. The Series 2013 Bond is being issued pursuant to the Constitution of the State of Florida, the City Charter of the City, Chapter 166, Part II, Florida Statutes, and other applicable provisions of law, and pursuant to the terms of Resolution No. 13-07 adopted by the City Commission of the City on January 14, 2013 (the "Resolution"). Unless otherwise specifically defined, all capitalized terms used in this Certificate shall have the same meanings as those set forth in the Resolution or the Regulations. The proceeds of the Series 2013 Bond will be used for the following purposes:

- (a) to currently refund the outstanding principal amount of the City's Utilities Revenue Bond, Series 1979 (the "Series 1979 Bond");
- (b) to currently refund the outstanding principal amount of the City's Utilities Refunding Revenue Bonds, Series 2003 (the "Series 2003 Bonds"); and
- (b) to pay the costs of issuing the Series 2013 Bond (the "Issuance Expenses").

Unless otherwise specifically defined, all capitalized terms used in this Certificate shall have the meanings as those set forth in the Resolution or in the Regulations.

2. The Series 1979 Bond and Series 2003 Bonds (collectively, the "Refunded Bonds") will be redeemed and retired on April 1, 2013, which is less than 90 days from the date of

issuance of the Series 2013 Bond. The current refunding of the Refunded Bonds is being undertaken by the City in order to realize a significant present value net interest cost savings.

3. The Series 1979 Bond was issued by the City for the purpose of financing the cost of the construction of additions to the utility system (the "1979 Project"). The Series 2003 Bonds were issued by the City for the purpose of current refunding the City's Utility Refunding Revenue Bonds, Series 1993 (the "Series 1993 Bonds"). The Series 1993 Bonds were issued by the City for the purpose of (a) advance refunding the City's outstanding Utility Revenue Bonds, Series 1990 (the "Series 1990 Bonds"), (b) advance refunding a portion of the City's outstanding Utility Refunding Revenue Bonds, Series 1986 (the "Series 1986 Bonds"), and (c) financing the costs of construction and installation of certain facilities constituting water and wastewater capital improvements (the "1993 Project"). The Series 1990 Bonds were issued by the City to finance the construction and installation of certain facilities constituting water and sewer capital improvements to the City's combined electric, water and sewer system (the "1990 Project"). The Series 1986 Bonds were issued by the City for the purpose of advance refunding the City's Utility Refunding Revenue Bonds, Series 1983 (the "Series 1983 Bonds") and (b) financing the construction and installation of certain facilities constituting capital improvements to the City's electric system (the "1986 Project"). The Series 1983 Bonds were issued by the City for the purpose of financing and refinancing various capital improvements to the City's utility system (the "1983 Project"). The 1979 Project, 1983 Project, 1986 Project, 1990 Project, and 1993 Project will hereinafter be collectively referred to as the "Refinanced Projects." As of the date of issuance of the Series 2013 Bond, there are no unspent proceeds of the Series 1979 Bond or Series 2003 Bonds.

4. On the basis of the facts, estimates and circumstances in existence on the date hereof, I reasonably expect the following with respect to the Series 2013 Bond and the use of the proceeds thereof:

(a) Proceeds in the amount of \$4,800,000.00 (the "Sale Proceeds") derived by the City from the sale of the Series 2013 Bond to Branch Banking and Trust Company (the "Bank") are expected to be needed and fully expended as follows:

(i) \$31,931.50 of said proceeds will be used to pay the Issuance Expenses; and

(ii) \$4,768,068.50 of said proceeds, together with \$653,504.00 previously accumulated to pay debt service on the Refunded Bonds and \$961,320.00 previously on deposit in the reserve fund securing the Refunded Bonds, will be transferred to the paying agent for the Refunded Bonds, and used on April 1, 2013 to pay principal of and interest on the Refunded Bonds.

(b) The total proceeds to be received from the sale of the Series 2013 Bond, together with any investment earnings thereon and certain funds made available as a



result of the refunding of the Refunded Bonds, do not exceed the total of the amounts necessary for the purposes described above.

(c) Any investment earnings received by the City for the period in which proceeds are held by the paying agent for the Refunded Bonds will be transferred to the Sinking Fund and used to pay interest on the Series 2013 Bond.

(d) The City does not expect to sell or otherwise dispose of any property comprising a part of the Refinanced Projects prior to the final maturity date of the Series 2013 Bond.

5. As of the date of issuance of each new money obligation to be directly or indirectly refunded with the proceeds of the Series 2013 Bond, the City reasonably expected to expend at least 85 percent of the spendable proceeds of such new money obligations within three years from the respective date of issue thereof, and not more than 50 percent of the proceeds of the respective new money obligations to be directly or indirectly refunded with the Proceeds of the Series 2013 Bond was invested in Nonpurpose Investments having substantially guaranteed yields of four years or more.

6. The Resolution provides that the City will deposit sufficient Pledged Revenues into the Sinking Fund to pay the principal of and interest on the Series 2013 Bond. The Sinking Fund will be used primarily to achieve a proper matching of the Pledged Revenues and debt service on the Series 2013 Bond within each bond year, and amounts deposited in such fund will be depleted at least once a year except for a reasonable carryover amount not to exceed the greater of (A) the earnings on such fund for the immediately preceding bond year, or (B) one-twelfth of the debt service on the Series 2013 Bond for the immediately preceding bond year.

7. Other than the Sinking Fund, there are no funds or accounts established pursuant to the Resolution or otherwise which are reasonably expected to be used to pay debt service on the Series 2013 Bond, or which are pledged as collateral for the Series 2013 Bond (or subject to a negative pledge) and for which there is a reasonable assurance on the part of the Bank that amounts therein will be available to pay debt service on the Series 2013 Bond if the City encounters financial difficulties.

8. The following represents the expectations of the City with respect to the investment of funds on deposit in the aforementioned funds and accounts:

(a) Proceeds derived from the sale of the Series 2013 Bond to be applied to pay Issuance Expenses may be invested at an unrestricted yield for a period not to exceed 13 months from the date hereof.

(b) Proceeds transferred to the paying agent for the purpose of refunding the Refunded Bonds may be invested at an unrestricted yield until April 1, 2013, the redemption date of the Refunded Bonds.

(c) Investment earnings on obligations acquired with amounts described in subparagraphs (a) and (b) above may be invested at an unrestricted yield for a period of thirteen months from the date of receipt.

(d) Amounts described in subparagraphs (a) through (c) that may not be invested at an unrestricted yield pursuant to such subparagraphs, may be invested at an unrestricted yield to the extent such amounts do not exceed \$100,000 (the "Minor Portion").

(e) Amounts described in subparagraph (d), not invested at an unrestricted yield pursuant to such subparagraph, shall be invested at a yield not in excess of the yield on the Series 2013 Bond plus 1/8 of one percentage point or shall be invested in tax-exempt obligations under Section 103(a) of the Code the interest on which is not an item of preference within the meaning of Section 57(a)(5) of the Code.

(f) Amounts deposited in the Sinking Fund to the pay the debt service on the Series 2013 Bond may be invested at an unrestricted yield for a period of 13 months from the date of deposit of such amounts. Earnings on such amounts which are retained in the Sinking Fund may be invested at an unrestricted yield for a period not exceeding 13 months from the date of receipt of the amount earned.

(g) Amounts described in subparagraph (f) that may not be invested at an unrestricted yield pursuant to such subparagraph may be invested at an unrestricted yield to the extent such amount does not exceed the Minor Portion reduced by the amounts described in subparagraph (d) that are invested at a yield in excess of the yield of the Series 2013 Bond.

(h) Amounts described in subparagraph (g) that may not be invested at an unrestricted yield shall be invested at a yield not in excess of the yield of the Series 2013 Bond or be invested in tax-exempt obligations under Section 103(a) of the Code the interest on which is not an item of preference within the meaning of Section 57(a)(5) of the Code.

9. For purposes of this Certificate, "yield" means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation. The yield on obligations acquired with amounts described in Paragraph 8 hereof and the yield on the Series 2013 Bond shall be calculated by the use of the same frequency interval of compounding interest. In the case of the Series 2013 Bond, the purchase price is \$4,800,000. The purchase

price of the Series 2013 Bond and the interest rate thereon were arrived at as a result of an arms length negotiation between the City and the Bank. The Bank has represented to the City that it is acquiring the Series 2013 Bond for its own account, and is not acting as a broker or other intermediary for the purpose of reselling the Series 2013 Bond to other investors. Any investments acquired with amounts that may not be invested at an unrestricted yield pursuant to Paragraph 8 above shall be purchased at prevailing market prices and shall be limited to securities for which there is an established market, shall be United States Treasury Obligations - State and Local Government Series or shall be tax-exempt obligations under 103(a) of the Code the interest on which is not an item of tax preference within the meaning of Section 57(a)(5) of the Code.

In accordance with such meaning of the term yield, the yield of the Series 2013 Bond has been determined by Public Financial Management, Inc. (the "Financial Advisor") to be not less than 1.670196%. See Exhibit A attached hereto.

10. No portion of the proceeds of the Series 2013 Bond will be used as a substitute for other moneys of the City which were otherwise to be used as a source to pay principal of or interest on the Refunded Bonds and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield of the Series 2013 Bond.

11. The weighted average maturity of the Series 2013 Bond does not exceed 120 percent of the reasonably expected average remaining economic life of the assets comprising the Refinanced Projects (within the meaning of Section 147(b) of the Code).

12. There are no other obligations of the City that (i) are being sold at substantially the same time as the Series 2013 Bond (within 15 days); (ii) are being sold pursuant to a common plan of financing together with the Series 2013 Bond, and (iii) will be paid out of substantially the same source of funds as the Series 2013 Bond.

13. The City has covenanted in the Resolution that so long as the Series 2013 Bond remains outstanding, the moneys on deposit in any fund or account maintained in connection with the Series 2013 Bond will not be used in any manner that would cause the Series 2013 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or bonds not described under Section 103(a) of the Code and the applicable regulations promulgated from time to time thereunder. Accordingly, the City shall comply with the guidelines and instructions in the Arbitrage Letter of Instructions from Bond Counsel, dated the date hereof, by which the City shall, among other things, pay or cause to be paid to the United States an amount equal to the sum of (i) the excess of the aggregate amount earned from the investment of "Gross Proceeds" of the Series 2013 Bond from the date of issue over the amount that would have been earned if such amounts had been invested at a yield equal to the yield of the Series 2013 Bond, plus (ii) the income or earnings attributable to the excess amount described in (i). See Exhibit B attached hereto.

14. No action which overburdens the tax-exempt bond market (within the meaning of Section 1.148-10(a) of the Regulations) has been or is expected to be taken in connection with the Series 2013 Bond. In particular, no portion of the Series 2013 Bond has been issued earlier, or allowed to remain outstanding longer, than is otherwise reasonably necessary to accomplish the governmental purposes of the Series 2013 Bond. Furthermore, each action taken or expected to be taken in connection with the Series 2013 Bond would reasonably be taken if the interest on the Series 2013 Bond were not excluded from gross income for federal income tax purposes (assuming that the hypothetical taxable interest rates would be the same as the actual tax-exempt rates on the Series 2013 Bond).

15. Neither the City nor any related person has entered or is expected to enter into any hedging transaction (such as an interest rate swap, cap or collar transaction) with respect to the Series 2013 Bond.

16. The City is not aware of any facts or circumstances that would cause it to question the accuracy of the representation made by the Bank described in Paragraph 9 hereof, or the accuracy of the computations performed by the Financial Advisor.

17. The City will not take any action which would cause the Series 2013 Bond to be a "private activity bond" within the meaning of Section 141 of the Code. The City will not permit any person other than a state or local governmental unit or as a member of the general public (a "Nonexempt Person") to use, through sale, lease, management contract, output contract or similar agreement, portions of the Refinanced Projects, which in the aggregate exceed 10 percent of the Refinanced Projects (based upon the cost of such portions of the Refinanced Projects). The percentage limitation described in the preceding sentence shall be reduced to 5 percent if the private use of the Refinanced Projects is not related to any governmental use or is disproportionate to governmental use, all as described in Section 141(b)(3) of the Code.

18. The City acknowledges that in determining whether all or any portion of the Refinanced Projects is used, directly or indirectly, in the trade or business of a Nonexempt Person for purposes of Paragraph 17 above, use of any portion of the Refinanced Projects by a Nonexempt Person pursuant to a lease, management contract, service contract, output contract or other arrangement must be examined. The City represents that all management and service contracts with persons who are not employees of the City for use of any portion of the Refinanced Projects will comply with the guidelines set forth in IRS Revenue Procedure 97-13, unless the City receives an opinion from Bond Counsel that such contract will not adversely impact the exclusion of interest on the Series 2013 Bond from gross income for purposes of federal income taxation. The City agrees to maintain copies of all leases, management contracts, service contracts, output contracts, and other preferential use arrangements with Nonexempt Persons with respect to the use of the Refinanced Projects throughout the term of the Series 2013 Bond and for a period of three years thereafter.



19. The City represents that the Refinanced Projects has been owned and operated in a manner which complies with the requirements set forth in Paragraph 17 above from the date that the components of the Refinanced Projects were placed in service until the date of issuance of the Series 2013 Bond. The City reasonably expects that the Refinanced Projects will be owned and operated throughout the term of the Series 2013 Bond in a manner which complies with the requirements set forth in Paragraph 17 above. The City will not change the ownership or use of all or any portion of the Refinanced Projects in a manner that fails to comply with Paragraph 17 above, unless it receives an opinion of Bond Counsel that such change of ownership or use will not adversely affect the exclusion of interest on the Series 2013 Bond from gross income for federal income tax purposes.

20. None of the proceeds of the Series 2013 Bond will be used (directly or indirectly) to make or finance a loan to any person.

21. The payment of the principal of and interest on the Series 2013 Bond is not and will not be guaranteed directly or indirectly by the federal government within the meaning of Section 149(b) of the Code.

22. This Certificate is, in part, to serve as a guideline in implementing the requirements of Sections 141 to 150 of the Code. If regulations, rulings, announcements and notices validly promulgated under the Code contain requirements which differ from those outlined here which must be satisfied for the Series 2013 Bond to be tax-exempt or in order to avoid the imposition of penalties under Section 148 of the Code, pursuant to the covenants contained in the Resolution, the City is obligated to take such steps as are necessary to comply with such requirements. If under those pronouncements, compliance with any of the requirements of this Certificate is not necessary to maintain the exclusion of interest on the Series 2013 Bond from gross income and alternative minimum taxable income (except to the extent of certain adjustments applicable to corporations) or to avoid the imposition of penalties on the Council under Section 148 of the Code, the City shall not be obligated to comply with that requirement. The City has been advised to seek the advice of competent counsel with a nationally recognized expertise in matters affecting exclusion of interest on municipal Series 2013 Bond from gross income in fulfilling its obligations under the Code to take all steps as are necessary to maintain the tax-exempt status of the Series 2013 Bond.

23. To the best of my knowledge, information and belief, the above expectations are reasonable.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of January, 2013.

CITY OF ALACHUA, FLORIDA

By: 

Name: Gib Coerper

Title: Mayor

By: 

Name: Traci L. Cain

Title: City Manager and Clerk

## EXHIBIT A

[Attach Schedules]

## SOURCES AND USES OF FUNDS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Preliminary Final Numbers  
Loan Provider: BB&T

Sources:	2013_1	2013_2	Total
Bond Proceeds:			
Par Amount	4,585,000.00	215,000.00	4,800,000.00
Other Sources of Funds:			
Debt Service Reserve Release	918,000.00	43,320.00	961,320.00
Sinking Fund Contribution	612,421.00	41,083.00	653,504.00
	1,530,421.00	84,403.00	1,614,824.00
	6,115,421.00	299,403.00	6,414,824.00
Uses:	2013_1	2013_2	Total
Refunding Escrow Deposits:			
Cash Deposit	6,082,582.50	300,310.00	6,382,892.50
Delivery Date Expenses:			
Cost of Issuance	29,611.46	1,388.54	31,000.00
Other Uses of Funds:			
Additional Proceeds	3,227.04	-2,295.54	931.50
	6,115,421.00	299,403.00	6,414,824.00



## BOND SUMMARY STATISTICS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Preliminary Final Numbers  
Loan Provider: BB&T

Dated Date	01/30/2013
Delivery Date	01/30/2013
Last Maturity	04/01/2020
Arbitrage Yield	1.670196%
True Interest Cost (TIC)	1.670196%
Net Interest Cost (NIC)	1.670000%
All-In TIC	1.833964%
Average Coupon	1.670000%
Average Life (years)	4.152
Duration of Issue (years)	3.995
Par Amount	4,800,000.00
Bond Proceeds	4,800,000.00
Total Interest	332,803.17
Net Interest	332,803.17
Total Debt Service	5,132,803.17
Maximum Annual Debt Service	721,857.00
Average Annual Debt Service	715,927.60
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	4,800,000.00	100.000	1.670%	4.152	1,918.25
	4,800,000.00			4.152	1,918.25

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,800,000.00	4,800,000.00	4,800,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-31,000.00	
- Other Amounts			
Target Value	4,800,000.00	4,769,000.00	4,800,000.00
Target Date	01/30/2013	01/30/2013	01/30/2013
Yield	1.670196%	1.833964%	1.670196%

## SUMMARY OF BONDS REFUNDED

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Preliminary Final Numbers  
Loan Provider: BB&T

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Utilities Revenue Bonds, Series 1979, 1979:					
BOND	04/01/2013	5.000%	35,000.00		
	04/01/2014	5.000%	37,000.00	04/01/2013	100.000
	04/01/2015	5.000%	38,000.00	04/01/2013	100.000
	04/01/2016	5.000%	40,000.00	04/01/2013	100.000
	04/01/2017	5.000%	43,000.00	04/01/2013	100.000
	04/01/2018	5.000%	45,000.00	04/01/2013	100.000
	04/01/2019	5.000%	48,000.00	04/01/2013	100.000
			286,000.00		
Utility Refunding Revenue Bonds, Series 2003, 2003:					
BOND	04/01/2013	3.850%	635,000.00		
	04/01/2014	4.000%	655,000.00	04/01/2013	101.000
	04/01/2015	4.050%	685,000.00	04/01/2013	101.000
	04/01/2016	4.150%	715,000.00	04/01/2013	101.000
	04/01/2017	4.250%	740,000.00	04/01/2013	101.000
	04/01/2018	4.350%	775,000.00	04/01/2013	101.000
	04/01/2019	4.450%	810,000.00	04/01/2013	101.000
	04/01/2020	4.550%	890,000.00	04/01/2013	101.000
			5,905,000.00		
			6,191,000.00		

## SUMMARY OF REFUNDING RESULTS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Preliminary Final Numbers

Loan Provider: BB&T

Dated Date	01/30/2013
Delivery Date	01/30/2013
Arbitrage yield	1.670196%
Escrow yield	
Bond Par Amount	4,800,000.00
True Interest Cost	1.670196%
Net Interest Cost	1.670000%
Average Coupon	1.670000%
Average Life	4.152
Par amount of refunded bonds	6,191,000.00
Average coupon of refunded bonds	4.386348%
Average life of refunded bonds	3.887
PV of prior debt to 01/30/2013 @ 1.670196%	6,908,020.91
Net PV Savings	494,128.41
Percentage savings of refunded bonds	7.981399%
Percentage savings of refunding bonds	10.294342%

## SAVINGS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Preliminary Final Numbers  
Loan Provider: BB&T

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Annual Savings	Present Value to 01/30/2013 @ 1.6701957%
01/30/2013		653,504.00	-653,504.00		-653,504.00		-653,504.00
04/01/2013	809,182.50		809,182.50	118,582.67	690,599.83	37,095.83	688,656.25
10/01/2013	112,658.75		112,658.75	39,203.25	73,455.50		72,642.14
04/01/2014	817,208.75		817,208.75	674,203.25	143,005.50	216,461.00	140,250.79
10/01/2014	99,558.75		99,558.75	33,901.00	65,657.75		63,859.70
04/01/2015	833,258.75		833,258.75	683,901.00	149,357.75	215,015.50	144,064.47
10/01/2015	85,687.50		85,687.50	28,473.50	57,214.00		54,729.28
04/01/2016	849,487.50		849,487.50	688,473.50	161,014.00	218,228.00	152,745.82
10/01/2016	70,851.25		70,851.25	22,962.50	47,888.75		45,053.39
04/01/2017	860,651.25		860,651.25	687,962.50	172,688.75	220,577.50	161,118.82
10/01/2017	55,126.25		55,126.25	17,409.75	37,716.50		34,898.11
04/01/2018	879,776.25		879,776.25	697,409.75	182,366.50	220,083.00	167,341.57
10/01/2018	38,270.00		38,270.00	11,731.75	26,538.25		24,150.12
04/01/2019	898,670.00		898,670.00	706,731.75	191,938.25	218,476.50	173,219.53
10/01/2019	20,247.50		20,247.50	5,928.50	14,319.00		12,815.52
04/01/2020	910,247.50		910,247.50	715,928.50	194,319.00	208,638.00	172,475.40
	7,340,882.50	653,504.00	6,687,378.50	5,132,803.17	1,554,575.33	1,554,575.33	1,454,516.91

Savings Summary

PV of savings from cash flow	1,454,516.91
Less: Prior funds on hand	-961,320.00
Plus: Refunding funds on hand	931.50
Net PV Savings	494,128.41

## BOND DEBT SERVICE

City of Alachua, FL.  
Utility Refunding Revenue Bond, Series 2013

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Preliminary Final Numbers  
Loan Provider: BB&T

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2013	105,000	1.670%	13,582.67	118,582.67	118,582.67
10/01/2013			39,203.25	39,203.25	
04/01/2014	635,000	1.670%	39,203.25	674,203.25	713,406.50
10/01/2014			33,901.00	33,901.00	
04/01/2015	650,000	1.670%	33,901.00	683,901.00	717,802.00
10/01/2015			28,473.50	28,473.50	
04/01/2016	660,000	1.670%	28,473.50	688,473.50	716,947.00
10/01/2016			22,962.50	22,962.50	
04/01/2017	665,000	1.670%	22,962.50	687,962.50	710,925.00
10/01/2017			17,409.75	17,409.75	
04/01/2018	680,000	1.670%	17,409.75	697,409.75	714,819.50
10/01/2018			11,731.75	11,731.75	
04/01/2019	695,000	1.670%	11,731.75	706,731.75	718,463.50
10/01/2019			5,928.50	5,928.50	
04/01/2020	710,000	1.670%	5,928.50	715,928.50	721,857.00
	4,800,000		332,803.17	5,132,803.17	5,132,803.17



## BOND DEBT SERVICE

City of Alachua, FL  
Utility Refunding Revenue Bonds, Series 2013

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## 2003 Refunding Component

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2013	100,000	1.670%	12,974.28	112,974.28	112,974.28
10/01/2013			37,449.75	37,449.75	
04/01/2014	600,000	1.670%	37,449.75	637,449.75	674,899.50
10/01/2014			32,439.75	32,439.75	
04/01/2015	615,000	1.670%	32,439.75	647,439.75	679,879.50
10/01/2015			27,304.50	27,304.50	
04/01/2016	625,000	1.670%	27,304.50	652,304.50	679,609.00
10/01/2016			22,085.75	22,085.75	
04/01/2017	630,000	1.670%	22,085.75	652,085.75	674,171.50
10/01/2017			16,825.25	16,825.25	
04/01/2018	645,000	1.670%	16,825.25	661,825.25	678,650.50
10/01/2018			11,439.50	11,439.50	
04/01/2019	660,000	1.670%	11,439.50	671,439.50	682,879.00
10/01/2019			5,928.50	5,928.50	
04/01/2020	710,000	1.670%	5,928.50	715,928.50	721,857.00
	4,585,000		319,920.28	4,904,920.28	4,904,920.28

## BOND DEBT SERVICE

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

## 1979 Refunding Component

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2013	5,000	1.670%	608.39	5,608.39	5,608.39
10/01/2013			1,753.50	1,753.50	
04/01/2014	35,000	1.670%	1,753.50	36,753.50	38,507.00
10/01/2014			1,461.25	1,461.25	
04/01/2015	35,000	1.670%	1,461.25	36,461.25	37,922.50
10/01/2015			1,169.00	1,169.00	
04/01/2016	35,000	1.670%	1,169.00	36,169.00	37,338.00
10/01/2016			876.75	876.75	
04/01/2017	35,000	1.670%	876.75	35,876.75	36,753.50
10/01/2017			584.50	584.50	
04/01/2018	35,000	1.670%	584.50	35,584.50	36,169.00
10/01/2018			292.25	292.25	
04/01/2019	35,000	1.670%	292.25	35,292.25	35,584.50
	215,000		12,882.89	227,882.89	227,882.89

## PRIOR BOND DEBT SERVICE

City of Alachua, FL  
Utility Refunding Revenue Bonds, Series 2013

## 2003 Refunding Component

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2013	635,000	3.850%	124,882.50	759,882.50	759,882.50
10/01/2013			112,658.75	112,658.75	
04/01/2014	655,000	4.000%	112,658.75	767,658.75	880,317.50
10/01/2014			99,558.75	99,558.75	
04/01/2015	685,000	4.050%	99,558.75	784,558.75	884,117.50
10/01/2015			85,687.50	85,687.50	
04/01/2016	715,000	4.150%	85,687.50	800,687.50	886,375.00
10/01/2016			70,851.25	70,851.25	
04/01/2017	740,000	4.250%	70,851.25	810,851.25	881,702.50
10/01/2017			55,126.25	55,126.25	
04/01/2018	775,000	4.350%	55,126.25	830,126.25	885,252.50
10/01/2018			38,270.00	38,270.00	
04/01/2019	810,000	4.450%	38,270.00	848,270.00	886,540.00
10/01/2019			20,247.50	20,247.50	
04/01/2020	890,000	4.550%	20,247.50	910,247.50	930,495.00
	5,905,000		1,089,682.50	6,994,682.50	6,994,682.50

## PRIOR BOND DEBT SERVICE

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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1979 Refunding Component

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2013	35,000	5.000%	14,300	49,300	49,300
04/01/2014	37,000	5.000%	12,550	49,550	49,550
04/01/2015	38,000	5.000%	10,700	48,700	48,700
04/01/2016	40,000	5.000%	8,800	48,800	48,800
04/01/2017	43,000	5.000%	6,800	49,800	49,800
04/01/2018	45,000	5.000%	4,650	49,650	49,650
04/01/2019	48,000	5.000%	2,400	50,400	50,400
	286,000		60,200	346,200	346,200

## ESCROW REQUIREMENTS

City of Alachua, FL  
Utility Refunding Revenue Bonds, Series 2013

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## 2003 Refunding Component

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
04/01/2013	635,000.00	124,882.50	5,270,000.00	52,700.00	6,082,582.50
	635,000.00	124,882.50	5,270,000.00	52,700.00	6,082,582.50



## ESCROW REQUIREMENTS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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1979 Refunding Component

Period Ending	Principal	Interest	Principal Redeemed	Total
04/01/2013	35,000.00	14,300.00	251,000.00	300,300.00
	35,000.00	14,300.00	251,000.00	300,300.00

## COST OF ISSUANCE

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Preliminary Final Numbers  
Loan Provider: BB&T

Cost of Issuance	\$/1000	Amount
Bond Counsel Fee	4.16667	20,000.00
Financial Advisor Fee	1.56250	7,500.00
Bank Fees	0.72917	3,500.00
	6.45833	31,000.00

## FORM 8038 STATISTICS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

Preliminary Final Numbers  
Loan Provider: BB&T

Dated Date 01/30/2013  
Delivery Date 01/30/2013

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	04/01/2013	105,000.00	1.670%	100.000	105,000.00	105,000.00
	04/01/2014	635,000.00	1.670%	100.000	635,000.00	635,000.00
	04/01/2015	650,000.00	1.670%	100.000	650,000.00	650,000.00
	04/01/2016	660,000.00	1.670%	100.000	660,000.00	660,000.00
	04/01/2017	665,000.00	1.670%	100.000	665,000.00	665,000.00
	04/01/2018	680,000.00	1.670%	100.000	680,000.00	680,000.00
	04/01/2019	695,000.00	1.670%	100.000	695,000.00	695,000.00
	04/01/2020	710,000.00	1.670%	100.000	710,000.00	710,000.00
		4,800,000.00			4,800,000.00	4,800,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	04/01/2020	1.670%	710,000.00	710,000.00		
Entire Issue			4,800,000.00	4,800,000.00	4.1517	1.6702%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	31,000.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	4,768,068.50
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	3.8852
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

## FORM 8038 STATISTICS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Preliminary Final Numbers  
Loan Provider: BB&T

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
Utilities Revenue Bonds, Series 1979:					
BOND	04/01/2013	35,000.00	5.000%	100.000	35,000.00
BOND	04/01/2014	37,000.00	5.000%	100.000	37,000.00
BOND	04/01/2015	38,000.00	5.000%	100.000	38,000.00
BOND	04/01/2016	40,000.00	5.000%	100.000	40,000.00
BOND	04/01/2017	43,000.00	5.000%	100.000	43,000.00
BOND	04/01/2018	45,000.00	5.000%	100.000	45,000.00
BOND	04/01/2019	48,000.00	5.000%	100.000	48,000.00
		286,000.00			286,000.00
Utility Refunding Revenue Bonds, Series 2003:					
BOND	04/01/2013	635,000.00	3.850%	99.598	632,447.30
BOND	04/01/2014	655,000.00	4.000%	99.567	652,163.85
BOND	04/01/2015	685,000.00	4.050%	99.537	681,828.45
BOND	04/01/2016	715,000.00	4.150%	99.509	711,489.35
BOND	04/01/2017	740,000.00	4.250%	99.484	736,181.60
BOND	04/01/2018	775,000.00	4.350%	99.460	770,815.00
BOND	04/01/2019	810,000.00	4.450%	99.438	805,447.80
BOND	04/01/2020	890,000.00	4.550%	99.418	884,820.20
		5,905,000.00			5,875,193.55
		6,191,000.00			6,161,193.55

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
Utilities Revenue Bonds, Series 1979	04/01/2013	04/01/2011	3.3792
Utility Refunding Revenue Bonds, Series 2003	04/01/2013	08/15/2003	3.9098
All Refunded Issues	04/01/2013		3.8852

## EXHIBIT B

January 30, 2013

Mayor and City Commission  
City of Alachua  
Alachua, Florida

Re: \$4,800,000 City of Alachua, Florida, Utility Refunding Revenue Bond, Series 2013

Ladies and Gentlemen:

This letter instructs you as to certain requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the \$4,800,000 City of Alachua, Florida Utility Refunding Revenue Bond, Series 2013 (the "Series 2013 Bond"). Capitalized terms used in this letter, not otherwise defined herein, shall have the same meanings as set forth in the City's Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, As Amended (the "Tax Certificate") executed on the date hereof.

This letter is intended to provide you with general guidance regarding compliance with Section 148(f) of the Code. Because the requirements of the Code are subject to amplification and clarification, you should seek supplements to this letter from time to time to reflect any additional or different requirements of the Code. In particular, you should be aware that regulations implementing the rebate requirements of Section 148(f) (the "Regulations") have been issued by the United States Treasury Department. These regulations will, by necessity, be subject to continuing interpretation and clarification through future rulings or other announcements of the United States Treasury Department. You should seek further advice of Bond Counsel as to the effect of any such future interpretations before the computation and payment of any arbitrage rebate.

For the purposes of this Letter, (i) any instructions relating to a fund or account shall be deemed to apply only to the portion of such fund or account allocable to the Series 2013 Bond and (ii) any reference to "the date hereof" shall be deemed to mean January 30, 2013.

Section 1. Tax Covenants. Pursuant to the Resolution (as defined in the Tax Certificate), the City has made certain covenants designed to assure that interest with respect to the Series 2013 Bond is and shall remain excluded from gross income for federal income tax purposes. The City has agreed, and by this Letter does hereby covenant, that it will not directly or indirectly use or permit the use of any proceeds of the Series 2013 Bond or any other funds or

Exhibit B-1



take or omit to take any action that would cause the Series 2013 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and that would cause interest on the Series 2013 Bond to be included in gross income for federal income tax purposes under the provisions of the Code. You have further agreed by this letter to comply with all other requirements as shall be determined by Bond Counsel (as hereinafter defined) to be necessary or appropriate to assure that interest on the Series 2013 Bond will be excluded from gross income for federal income tax purposes. To that end, the City will comply with all requirements of Section 148 of the Code to the extent applicable to the Series 2013 Bond. In particular, the City agrees to cause the proceeds of the Series 2013 Bond and certain other amounts described in Paragraph 8 of the Tax Certificate to be invested in a manner that is consistent with the expectations set forth in such Certificate. In the event that at any time the City is of the opinion that for purposes of this Section 1 it is necessary to restrict or to limit the yield on the investment of any moneys held by the City, the City shall take such action as may be necessary.

Section 2. Definitions. Unless the context otherwise requires, in addition to the use of the terms defined in the Tax Certificate, the following capitalized terms have the following meanings:

"Bond Counsel" shall mean Bryant Miller Olive P.A., or other nationally recognized bond counsel.

"Bond Year" shall mean the one year period that ends at the close of business on the day in the calendar year that is selected by the City. The first and last bond years may be short periods.

"Bond Yield" shall mean that discount rate that, when used in computing the present value on the Delivery Date of all unconditionally payable payments of principal, interest, and retirement price paid and to be paid on the Series 2013 Bond, produces an amount equal to the present value on the Delivery Date, using the same discount rate, of the aggregate Issue Price of the Series 2013 Bond. Yield is computed under the Economic Accrual Method using any consistently applied compounding interval of not more than one year. Short first and last compounding intervals may be used. Other reasonable, standard financial conventions, such as the 30 days per month/360 days per year convention, may be used in computing yield but must be consistently applied. The yield on the Series 2013 Bond, computed by Public Financial Management, Inc. in this manner, is 1.670196%.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder.

"Computation Credit Amount" means an amount, as of each Computation Credit Date, equal to the amount set forth in Section 1.148-3(d)(1)(iv) of the Regulations.

"Computation Credit Date" means the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of the Series 2013 Bond that are subject to the rebate requirement of Section 148(f) of the Code, and the Final Computation Date.

"Computation Date" shall mean any date selected by the City as a computation date pursuant to Section 1.148-3(e) of the Regulations, and the Final Computation Date.

"Delivery Date" shall mean January 30, 2013.

"Economic Accrual Method" shall mean the method of computing yield that is based on the compounding of interest at the end of each compounding period (also known as the constant interest method or the actuarial method).

"Final Computation Date" shall mean the date that the last bond that is part of the Series 2013 Bond is discharged.

"Gross Proceeds" shall mean with respect to the Series 2013 Bond, any proceeds of the Series 2013 Bond and any funds (other than the proceeds of the Series 2013 Bond) that are a part of a reserve or replacement fund for the issue, which amounts include amounts which are (A) actually or constructively received by the City from the sale of the Series 2013 Bond (other than amounts used to pay Accrued Interest on the Series 2013 Bond as set forth in the Tax Certificate); (B) treated as transferred proceeds (as defined in Section 1.148-9(b) of the Regulations); (C) treated as Replacement Proceeds under Section 1.148-1(c) of the Regulations; (D) invested in a reasonably required reserve or replacement fund (as defined in Section 1.148-2(f) of the Regulations); (E) pledged by the City as security for payment of debt service on the Series 2013 Bond; (F) received with respect to obligations acquired with proceeds of the Series 2013 Bond; (G) used to pay debt service on the Series 2013 Bond; and (H) otherwise received as a result of investing any proceeds of the Series 2013 Bond. The determination of whether an amount is included within this definition shall be made without regard to whether the amount is credited to any fund or account established under the Ordinance or (except in the case of an amount described in (E) above) whether the amount is subject to the pledge of such instrument.

"Guaranteed Investment Contract" means any Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

"Installment Payment Date" shall mean a Computation Date that is not later than 5 years after the Delivery Date and subsequent Computation Dates which occur no later than 5 years after the immediately preceding Installment Payment Date.

"Investment Property" shall mean any security or obligation, any annuity contract or other investment-type property within the meaning of Section 148(b)(2) of the Code. The term

Investment Property shall not include any obligation the interest on which is excluded from gross income (other than a Specified Private Activity Bond within the meaning of Section 57(a)(5)(C) of the Code) and shall not include an obligation that is a one-day certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series Program described in 31 CFR, part 344.

"Issue Price" shall mean \$4,800,000 with respect to the Series 2013 Bond.

"Issue Yield" shall mean the Bond Yield unless the Series 2013 Bond is described in Section 1.148-4(b)(3) or (4) of the Regulations, in which case, the Issue Yield shall be the Bond Yield as recomputed in accordance with such provisions of the Regulations.

"Nonpurpose Investment" shall mean any Investment Property in which Gross Proceeds are invested, other than any Purpose Investment as defined in Section 1.148-1(b) of the Regulations. For purposes of this Letter, Investment Property acquired with revenues deposited in the Sinking Fund to be used to pay debt service on the Bond within 13 months of the date of deposit therein shall be disregarded.

"Nonpurpose Payment" shall, with respect to a Nonpurpose Investment allocated to the Series 2013 Bond, include the following: (1) the amount actually or constructively paid to acquire the Nonpurpose Investment; (2) the Value of an investment not acquired with Gross Proceeds on the date such investment is allocated to the Series 2013 Bond, and (3) any yield reduction payment to the United States Government made pursuant to Section 1.148-5(c) of the Regulations. In addition, the Computation Credit Amount shall be treated as a Nonpurpose Payment with respect to the Series 2013 Bond on each Computation Credit Date.

"Nonpurpose Receipt" shall mean any receipt or payment with respect to a Nonpurpose Investment allocated to the Series 2013 Bond. For this purpose the term "receipt" means any amount actually or constructively received with respect to the investment. In the event a Nonpurpose Investment ceases to be allocated to the Series 2013 Bond other than by reason of a sale or retirement, such Nonpurpose Investment shall be treated as if sold on the date of such cessation for its Value. In addition, the Value of each Nonpurpose Investment at the close of business on each Computation Date shall be taken into account as a Nonpurpose Receipt as of such date, and each refund of Rebatable Arbitrage pursuant to Section 1.148-3(i) of the Regulations shall be treated as a Nonpurpose Receipt.

"Rebatable Arbitrage" shall mean as of any Computation Date the excess of the future value of all Nonpurpose Receipts with respect to the Series 2013 Bond over the future value of all Nonpurpose Payments with respect to the Series 2013 Bond. The future value of a Nonpurpose Payment or a Nonpurpose Receipt as of any Computation Date is determined using the Economic Accrual Method and equals the value of that payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and

compounded over the period at a rate equal to the Issue Yield, using the same compounding interval and financial conventions used in computing that yield.

"Retirement Price" shall mean, with respect to a bond, the amount paid in connection with the retirement or redemption of the bond.

"Value" means value as determined under Section 1.148-5(d) of the Regulations for investments.

### Section 3. Rebate Requirement.

(a) Pursuant to this Letter there shall be established a fund separate from any other fund established and maintained under the Resolution designated the Rebate Fund (the "Rebate Fund"). The City shall administer or cause to be administered the Rebate Fund and invest any amounts held therein in Nonpurpose Investments. Moneys shall not be transferred from the Rebate Fund except as provided in this Section 3.

(b) Unless the Spending Exception to Rebate described in Appendix I to this letter is applicable to all or a portion of the Gross Proceeds of the Series 2013 Bond, the City specifically covenants that it will pay or cause to be paid to the United States Government the following amounts:

(1) No later than 60 days after each Installment Payment Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Series 2013 Bond, equals at least 90 percent of the Rebatable Arbitrage calculated as of each such Installment Payment Date; and

(2) No later than 60 days after the Final Computation Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Series 2013 Bond, equals 100 percent of the Rebatable Arbitrage as of the Final Computation Date.

(c) Any payment of Rebatable Arbitrage made within the 60-day period described in Section 3(b)(1) and (2) above may be treated as paid on the Installment Payment Date or Final computation date to which it relates.

(d) On or before 55 days following each Installment Payment Date and the Final Computation Date, the City shall determine the amount of Rebatable Arbitrage to be paid to the United States Government as required by Section 3(b) of this Letter. Upon making this determination, the City shall take the following actions:

(1) If the amount of Rebatable Arbitrage is calculated to be positive, deposit the required amount of Rebatable Arbitrage to the Rebate Fund;



(2) If the amount of Rebatable Arbitrage is calculated to be negative and money is being held in the Rebate Fund, transfer from the Rebate Fund the amount on deposit in such fund; and

(3) On or before 60 days following the Installment Payment Date or Final Computation Date, pay the amount described in Section 3(b) of this Letter to the United States Government at the Internal Revenue Service Center, Ogden, Utah 84201. Payment shall be accompanied by Form 8038-T. A rebate payment is paid when it is filed with the Internal Revenue Service at the above location.

(e) The City shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the money related to the Series 2013 Bond, including money derived from, pledged to, or to be used to make payments on the Series 2013 Bond. Such records shall specify the account or fund to which each investment (or portion thereof) held by the City is to be allocated and shall set forth, in the case of each investment security, (a) its purchase price; (b) nominal rate of interest; (c) the amount of accrued interest purchased (included in the purchase price); (d) the par or face amount; (e) maturity date; (f) the amount of original issue discount or premium (if any); (g) the type of Investment Property; (h) the frequency of periodic payments; (i) the period of compounding; (j) the yield to maturity; (k) date of disposition; (l) amount realized on disposition (including accrued interest); and (m) market price data sufficient to establish the fair market value of any Nonpurpose investment as of any Computation Date, and as of the date such Nonpurpose Investment becomes allocable to, or ceases to be allocable to, Gross Proceeds of the Series 2013 Bond.

#### Section 4. Prohibited Investments and Dispositions.

(a) No Investment Property shall be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment Property. No Investment Property shall be sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment Property.

(b) For purposes of subsection 4(a), the fair market value of any Investment Property for which there is an established market shall be determined as provided in subsection 4(c). Except as otherwise provided in subsections 4(e) and (f), any market especially established to provide Investment Property to an issuer of governmental obligations shall not be treated as an established market.

(c) The fair market value of any Investment Property for which there is an established market is the price at which a willing buyer would purchase the investment



from a willing seller in a bona fide, arm's-length transaction. Fair market value is generally determined on the date on which a contract to purchase or sell the Investment Property becomes binding (i.e., the trade date rather than the settlement date). If a United States Treasury obligation is acquired directly from or disposed of directly to the United States Treasury, such acquisition or disposition shall be treated as establishing a market for the obligation and as establishing the fair market value of the obligation.

(d) Except to the extent provided in subsections (e) and (f), any Investment Property for which there is not an established market shall be rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(e) In the case of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, the purchase price of such a certificate of deposit is treated as its fair market value on its purchase date if the yield on the certificate of deposit is not less than (1) the yield on reasonably comparable direct obligations of the United States; and (2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(f) The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if the City complies with the competitive bidding procedures set forth in Section 1.148-5(d)(6)(iii) of the Regulations.

Section 5. Accounting for Gross Proceeds. In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the City must adopt a reasonable and consistently applied method of accounting for all Gross Proceeds.

#### Section 6. Administrative Costs of Investments.

(a) Except as otherwise provided in this Section, an allocation of Gross Proceeds of the Series 2013 Bond to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

(b) In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody, and similar costs. General overhead costs and similar indirect

costs of the City such as employee salaries and office expenses and costs associated with computing Rebatable Arbitrage are not Qualified Administrative Costs

(c) Qualified Administrative Costs include all reasonable administrative costs, without regard to the limitation on indirect costs stated in subsection (b) above, incurred by:

(i) A publicly offered regulated investment company (as defined in Section 67(c)(2)(B) of the Code); and

(ii) A commingled fund in which the City and any related parties do not own more than 10 percent of the beneficial interest in the fund.

(d) For a Guaranteed Investment Contract, a broker's commission paid on behalf of either the City or the provider is not a Qualified Administrative Cost to the extent that the commission exceeds the amount set forth in Section 1.148-5(e)(iii) of the Regulations.

Section 7. Records; Bond Counsel Opinion.

(a) The City shall retain all records with respect to the calculations and instructions required by this Letter for at least 3 years after the date on which the last of the principal of and interest on the Series 2013 Bond has been paid, whether upon maturity, redemption or acceleration thereof.

(b) Notwithstanding any provisions of this Letter, if the City shall be provided an opinion of Bond Counsel that any specified action required under this Letter is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Series 2013 Bond, the City may conclusively rely on such opinion in complying with the requirements of this Letter.

Section 8. Survival of Defeasance. Notwithstanding anything in this Letter to the contrary, the obligation of the City to remit the Rebate Requirement to the United States Department of the Treasury and to comply with all other requirements contained in this Letter must survive the defeasance or payment of the Series 2013 Bond.

Very truly yours,

BRYANT MILLER OLIVE P.A.

Received and acknowledged:

CITY OF ALACHUA, FLORIDA

By: Traci L. Cain

Name: Traci L. Cain

Title: City Manager and Clerk

Dated: January 30, 2013

## APPENDIX I

### Spending Exception to Rebate

(a) Generally. All, or certain discrete portions, of an issue are treated as meeting the Rebate Requirement of Section 148(f) of the Code if the spending exception set forth in this Appendix is satisfied. Use of the spending exception is not mandatory. An issuer may apply the Rebate Requirement to an issue that otherwise satisfies the spending exception.

(b) Six-Month Exception. An issue is treated as meeting the Rebate Requirement under this exception if (i) the gross proceeds of the issue are allocated to expenditures for the governmental purposes of the issue within the six-month period beginning on the issue date (the "six-month spending period") and (ii) the Rebate Requirement is met for amounts not required to be spent within the six-month spending period (excluding earnings on a bona fide debt service fund). For purposes of the six-month exception, "gross proceeds" means Gross Proceeds other than amounts (i) in a bona fide debt service fund, (ii) in a reasonably required reserve or replacement fund, (iii) that, as of the issue date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six-month spending period, (iv) that represent Sale Proceeds or Investment Proceeds derived from payments under any Purpose Investment of the issue and (v) that represent repayments of grants (as defined in Treasury Regulation Section 1.148-6(d)(4)) financed by the issue.

(c) Expenditures for Governmental Purposes of the Issue. For purposes of the spending exception, expenditures for the governmental purposes of an issue include payments for interest, but not principal, on the issue and for principal or interest on another issue of obligations.

## CERTIFICATE OF BANK

The undersigned, Branch Banking and Trust Company, the purchaser of the following described obligation (the "Bond") of the City of Alachua, Florida (the "City"):

\$4,800,000 – UTILITY REFUNDING REVENUE BOND, SERIES 2013; dated the date of its delivery; bearing interest at the rate of 1.67% per annum (payable on April 1, 2013, and semiannually thereafter on October 1 and April 1 of each year); payable in principal installments on April 1, 2013, and annually thereafter on April 1 of each year; and maturing on April 1, 2020;

does hereby acknowledge receipt of the Bond and does hereby certify as follows:

1. It is a state banking corporation, duly organized, validly existing and in good standing under the laws of the State of North Carolina; and is authorized to do business in the State of Florida.
2. It has received all records, reports, financial statements and other information it has requested concerning the City to which a reasonable investor would attach significance in making investment decisions (provided, that it does not waive any rights it may have against the City or its representatives with respect to any information so supplied or any misstatements or omissions).
3. It is sufficiently knowledgeable and experienced in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bond.
4. It is accepting the Bond solely for its own account and not on behalf of others, and with no present intent to resell or otherwise distribute all or any part of or interest on the Bond.
5. It has been informed by the City and agrees that the Bond (a) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service and (d) is not likely to be readily marketable.
6. It will not offer, sell or otherwise dispose of all or any part of or interest in the Bond, except (a) in full good faith compliance with all applicable provisions of state and federal laws, and (b) either under effective federal and state registration statements (which the City shall not in any way be obligated to provide) or upon delivery of an opinion of recognized



counsel to the effect that the Bond is being offered, sold or otherwise disposed of pursuant to exemptions from such registrations.

7. It has not required any official statement or offering circular by the City in connection with the sale of the Bond to it.

8. It has reviewed Resolution No. 13-07 of the City Commission of the City, duly adopted on January 14, 2013, authorizing the issuance of the Bond (the "Bond Resolution"), and has approved the provisions thereof.

9. For the purpose of Section 218.385(2) and (3), Florida Statutes, it hereby submits the following truth-in-bonding statement to the City prior to the award of the Bond:

*City of Alachua, Florida (the "City"), is proposing to issue a \$4,800,000 revenue bond for the purpose of financing part of the cost of the refunding of the outstanding Utilities Revenue Bond, Series 1979, and Utility Refunding Revenue Bonds, Series 2003, of the City. This debt is expected to be repaid over a period of approximately 7.17 years. At an interest rate of 1.67% per annum, total interest paid over the life of the revenue bond will be approximately \$332,803.17.*

*The security for payment of the revenue bond is a prior lien upon and pledge of the Pledged Revenues, as defined in the Bond Resolution. Authorizing this debt will result in the amount of approximately \$118,582.67 in the year 2013 and an average annual amount of approximately \$715,927.60 in the years 2014 through 2020 of such Pledged Revenues not being available to finance other qualifying projects of the City.*

In making the foregoing representations, the purchaser hereby acknowledges that the City and its attorneys are relying upon such representations in determining not to prepare an official statement or other disclosure document in connection with the sale of the Bond to the purchaser.

Dated January 30, 2013.

BRANCH BANKING AND TRUST COMPANY

By: 

David W. Pierce, Banking Officer



UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF ALACHUA  
CITY OF ALACHUA  
UTILITY REFUNDING REVENUE BOND, SERIES 2013

KNOW ALL MEN BY THESE PRESENTS, that the City of Alachua, Florida (the "City"), for value received hereby promises to pay to Branch Banking and Trust Company, or registered assigns (the "Registered Owner"), solely from the special funds described below, the principal sum specified above, on April 1 in the years and in the principal installments as follows:

<u>Years</u>	<u>Amounts</u>
2013	\$105,000
2014	635,000
2015	650,000
2016	660,000
2017	665,000
2018	680,000
2019	695,000
2020	710,000

and to pay solely from such special funds, interest (calculated on a 30/360-day year basis) on the balance of such principal sum from time to time remaining unpaid, from the date of this Bond, at the rate of 1.67% per annum (subject to adjustment as provided in the hereinafter described Resolution), payable on April 1, 2013, and semiannually thereafter on each October 1 and April 1 of each year to and including maturity on April 1, 2020, by check or draft mailed to the Registered Owner at its address as it appears on the registration books at 5:00 p.m. (eastern time) on the Record Date (as defined in the Resolution), or at the option of the City, by wire transfer to the Registered Owner in accordance with wire instructions furnished by the Registered Owner to the City at least one business day before the payment date, or other mutually acceptable means. The principal of, any prepayment premium and interest on this Bond are payable in lawful money of the United States of America. Upon final payment of principal, premium, if any, and interest, this Bond shall be surrendered to the City.

This Bond represents an authorized series of bonds issued to finance the cost of refunding the outstanding Utilities Revenue Bond, Series 1979, and Utility Refunding Revenue Bonds, Series 2003, of the City, under the authority of and in full compliance with the



Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, and other applicable provisions of law, and a resolution duly adopted by the City Commission of the City on January 14, 2013 (the "Resolution"); and is subject to all the terms and conditions of the Resolution.

This Bond and the interest thereon are payable solely from and secured by a prior lien upon and pledge of the net revenues derived by the City from the operation of the System and the Excise Taxes, as such terms are defined in the Resolution (collectively, the "Pledged Revenues"). The lien of the holder of this Bond upon the Excise Taxes may be released under the circumstances specified in the Resolution.

It is expressly agreed by the holder of this Bond that such holder shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Bond or for the making of any sinking fund or other payment specified in the Resolution. This Bond and the indebtedness evidenced thereby shall not constitute a lien upon any other property of or in the City, but shall constitute a lien only upon the Pledged Revenues, in the manner and to the extent provided in the Resolution.

This Bond may be transferred only upon the books of the City kept by the Bond Registrar upon surrender thereof at the principal office of the Bond Registrar with an assignment duly executed by the Registered Owner or its duly authorized attorney, but only in the manner, subject to the limitations and upon payment of a sum sufficient to cover any tax, fee or governmental charge, if any, that may be imposed in connection with any such transfer, as provided in the Resolution. Upon any such transfer, there shall be executed in the name of the transferee, and the Bond Registrar shall deliver, a new registered Bond and in the same principal amount, series, maturity and interest rate as this Bond.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Statutes and Constitution of the State of Florida applicable thereto; and that the issuance of this Bond and of the issue of bonds of which this Bond is one, does not violate any constitutional or statutory limitation.

This Bond is subject to prepayment under the terms and conditions stated in Section 2.09 of the Resolution. Notice of such prepayment shall be given in the manner and to the extent required by the Resolution.

This Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Laws of the State of Florida.



This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been executed by the Bond Registrar.

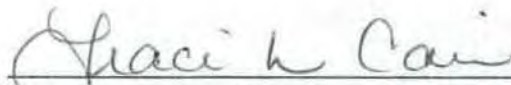
IN WITNESS WHEREOF, the City of Alachua, Florida, has issued this Bond and has caused the same to be executed by its Mayor, and countersigned and attested by its City Manager and Clerk, and its corporate seal to be impressed, imprinted or otherwise reproduced hereon, all as of January 30, 2013.

CITY OF ALACHUA, FLORIDA

(SEAL)

By:   
Mayor

ATTESTED AND COUNTERSIGNED:

  
City Manager and Clerk

**SPECIMEN**

CERTIFICATE OF AUTHENTICATION OF BOND REGISTRAR

This Bond is one of the bonds of the issue described in the Resolution.

CITY MANAGER AND CLERK  
As Bond Registrar

Shaci L. Cain

Date of Authentication: January 30, 2013

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**SPECIMEN**



The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -as tenants in  
common

JT TEN - as joint tenants  
with right of survivorship  
and not as tenants in  
common

TEN ENT -as tenants by the  
entireties

UNIF GIF/TRANS MIN ACT -

(Cust.)

Custodian for

(Minor)

under Uniform Gifts/Transfers to Minors Act of

(State)

Additional abbreviations may also be used though not in list above.

**SPECIMEN**



ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

\_\_\_\_\_ (PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE) the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as its agent to transfer the Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or change whatever.

Signature guaranteed:

\_\_\_\_\_  
Signature guarantee by guarantor institution participating in Securities Transfer Agents Medallion Program, or in other guarantee program acceptable to Bond Registrar



January 30, 2013

City Commission of the City  
of Alachua, Florida  
Alachua, Florida

Branch Banking and Trust Company  
Charlotte, North Carolina

Re: \$4,800,000 City of Alachua, Florida  
Utility Refunding Revenue Bond, Series 2013

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Alachua, Florida (the "Issuer") in connection with the issuance by the Issuer of its \$4,800,000 Utility Refunding Revenue Bond, Series 2013 (the "Series 2013 Bonds"), pursuant to and under the authority of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the Charter of the Issuer, and other applicable provisions of law, and Resolution No. 13-07 adopted by the City Commission of the Issuer (the "City Commission") on January 14, 2013 (the "Bond Resolution"). In such capacity, we have examined such laws and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Bond Resolution.

The Series 2013 Bonds are being issued to pay part of the cost of refunding all the outstanding Utilities Revenue Bond, Series 1979 (the "Series 1979 Bonds"), and Utility Refunding Revenue Bonds, Series 2003, of the Issuer (the "Series 2003 Bonds," and collectively with the Series 1979 Bonds, the "Refunded Bonds").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Bond Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have

assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Rush & Glassman, counsel to the Issuer, as to the due creation and valid existence of the Issuer, the due adoption of the Bond Resolution and the compliance by the Issuer with all conditions contained in ordinances and resolutions of the Issuer precedent to the issuance of the Series 2013 Bonds.

The Series 2013 Bonds are payable from the Pledged Revenues. Pursuant to the terms, conditions and limitations contained in the Bond Resolution, the Issuer has reserved the right to issue Additional Parity Bonds in the future which shall have a lien on the Pledged Revenues equal to that of the Series 2013 Bonds.

The Series 2013 Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the Series 2013 Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Bond Resolution constitutes a valid and binding special obligation of the Issuer enforceable against the Issuer in accordance with its terms.
2. The Series 2013 Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the Pledged Revenues in the manner and to the extent provided in the Bond Resolution.
3. The Bond Resolution creates a valid lien upon and pledge of the Pledged Revenues for the security of the Series 2013 Bonds on a parity with any Additional Parity Bonds hereafter issued, all in the manner and to the extent provided in the Bond Resolution.

4. Interest on the Series 2013 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2013 Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The opinions set forth in the preceding two sentences are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series 2013 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Bond Resolution to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2013 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2013 Bonds.

5. The Series 2013 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

6. The Series 2013 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Bond Resolution is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

7. Assuming the transfer and deposit of the sums described in the Memorandum from Public Financial Management dated July 30, 2013, related to the issuance of the Series 2013 Bonds and the refunding of the Refunded Bonds, upon the issuance of the Series 2013 Bonds, the lien upon the Pledged Revenues in favor of the holders of the Refunded Bonds is defeased.

Regarding the opinion expressed in paragraph 7 above, with your permission, we have relied upon certificates of Berkadia Commercial Mortgage, LLC, as servicer for the registered owner of the Series 1979 Bonds and The Bank of New York Mellon Trust Company, N.A, as paying agent for the Series 2003 Bonds, as to the outstanding principal of and the maximum interest due on the Refunded Bonds to the date the Refunded Bonds will be refunded.

It is to be understood that the rights of the owners of the Series 2013 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.



For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of any offering material relating to the Series 2013 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2013 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the purchasers of the Series 2013 Bonds with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2013 Bonds or regarding the perfection or priority of the lien, except as described in paragraph 3 above, on the Pledged Revenues created by the Bond Resolution. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2013 Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,  
*Bryant Miller Olive P.A.*  
BRYANT MILLER OLIVE P.A.

LAW OFFICES  
**RUSH & GLASSMAN**

11 SOUTHEAST 2<sup>ND</sup> AVENUE  
GAINESVILLE, FLORIDA 32601

ROBERT A. RUSH\*+  
MARIAN B. RUSH-  
DANIEL J. GLASSMAN  
NICK G. ZISSIMOPULOS  
JACOB A. RUSH  
EMILY A. SNIDER

TELEPHONE (352) 373-7566  
FACSIMILE (352) 376-7760

\* BOARD CERTIFIED CRIMINAL TRIAL  
+ BOARD CERTIFIED CIVIL TRIAL  
- BOARD CERTIFIED CITY COUNTY AND LOCAL GOVERNMENT

January 30, 2013

City Commission of the City  
City of Alachua  
Alachua, Florida

Bryant Miller Olive, P.A.  
Jacksonville, Florida

Branch Banking and Trust Company  
Charlotte, North Carolina

RE: \$4,800,000 City of Alachua, Florida  
Utility Refunding Revenue Bond, Series 2013

Dear Ladies and Gentlemen:

I am the attorney for the City of Alachua, Florida (the "City") on a contract basis. I am aware that the City is in the process of issuing its 2013 Utility Refunding Revenue Bond, Series 2013 in the amount of \$4,800,000 ("Bond"). This Bond is being issued pursuant to Resolution No. 13-07, duly adopted by the City Commission for the City of Alachua on January 14, 2013 (the "Bond Resolution"). Neither this law firm nor the undersigned have acted as bond counsel in connection with the issuance of the Bond. I am of the opinion that:

- (i) The City is a municipality created and validly existing under the constitution and laws of the State of Florida;
- (ii) The Bond Resolution was properly adopted and the Bond Resolution is in full force and effect on the date hereof;
- (iii) To the best of my knowledge, the issuance and sale of the Bond, the adoption of the Bond Resolution, and the execution and delivery of the Bond and compliance with the City with the terms thereof will not conflict with, or result in any breach of any provisions of, or constitute a default under any federal or State of Florida constitutional provisions or statutes, agreement, resolution, or other instrument to

which the City is a party or by which it or its property is bound, or any license, judgment, law, statute, ordinance, or State of Florida governmental rule or regulation applicable to the City which would result in the creation or imposition of any lien, charge, encumbrance or security interest in the property of the City (other than as contemplated by the Bond Resolution);

- (iv) To the best of my knowledge all authorizations, consents, approvals, waivers, reviews of governmental bodies as regulatory authorities required for the City's adoption, execution and performance of and under the Bond Resolution and the Bond have been obtained or effected; and
- (v) The City has not been served or notified in writing of any action, suit, proceeding, or investigation and to my knowledge no action, suit proceeding or investigation is pending against the City or threatened against the City that would adversely effect the issuance of the Bond or the Bond Resolution.

This opinion is being rendered solely for the benefit of the addressees hereof in connection with the contemplated transaction. The undersigned is not rendering any opinion other than those set forth above. Without in any way altering this limitation, the undersigned specifically is not rendering any opinion with regard to the contents of the Bond documents or any ramifications thereof including, but not limited to the tax status of the Bond.

Sincerely,



Marian B. Rush

MBR/ask

# Bryant Miller Olive

Attorneys at Law  
111 Riverside Avenue  
Suite 200  
Jacksonville, FL 32202  
Tel 904.384.1264  
Fax 904.388.2986  
www.bmolaw.com

May 2, 2013

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Internal Revenue Service Center  
Ogden, Utah 84201

Re: \$4,800,000 City of Alachua, Florida Utility Refunding Revenue Bond,  
Series 2013 dated and delivered January 30, 2013

Ladies and Gentlemen:

Enclosed please find for filing the original signed Form 8038-G for the above-referenced financing. If you have questions or require additional information, please do not hesitate to contact this office.

Sincerely,

*Charisse Lock*

Charisse A. Lock

Florida Registered Paralegal

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete item 4, if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature <b>X</b> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee
Article Addressed to:	B. Received by (Printed Name) C. Date of Delivery
	D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below. <input type="checkbox"/> No
INTERNAL REVENUE SERVICE CENTER OGDEN, UTAH 84201	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
Article Number (Transfer from service label)	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
7011 0110 0000 6858 1542	

• Tampa • Washington, D.C.



# Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

## Part I Reporting Authority

If Amended Return, check here ☐

1 Issuer's name City of Alachua, Florida		2 Issuer's employer identification number (EIN) 59-6000262
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Judson Freeman, Jr., Esq.		3b Telephone number of other person shown on 3a (904) 652-0785
4 Number and street (or P.O. box if mail is not delivered to street address) 111 Riverside Avenue	Room/suite 200	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Jacksonville, FL 32202		7 Date of issue 01/30/2013
8 Name of issue City of Alachua, Florida Utility Refunding Revenue Bond, Series 2013		9 CUSIP number N/A
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Judson Freeman, Jr., Esq., Bond Counsel		10b Telephone number of officer or other employee shown on 10a (904) 652-0785

## Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17	4,800,000	00
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>			
If obligations are BANs, check only box 19b <input type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>			

## Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	04/01/2020	\$ 4,800,000	\$ 4,800,000	4.1517 years	1.6702 %

## Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	0	00
23 Issue price of entire issue (enter amount from line 21, column (b))	23	4,800,000	00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	31,931	50
25 Proceeds used for credit enhancement	25	0	00
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0	00
27 Proceeds used to currently refund prior issues	27	4,768,068	50
28 Proceeds used to advance refund prior issues	28	0	00
29 Total (add lines 24 through 28)	29	4,800,000	00
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	0	00

## Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	3.8852	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	--	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	04/01/2013	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	12/17/1979 & 09/04/2003	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

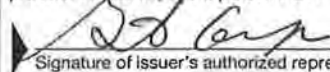
Form **8038-G** (Rev. 9-2011)

**Part VI Miscellaneous**

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . . **35**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . . **36a**
- b** Enter the final maturity date of the GIC ▶ \_\_\_\_\_
- c** Enter the name of the GIC provider ▶ \_\_\_\_\_
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . . **37**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☐ and enter the following information:
- b** Enter the date of the master pool obligation ▶ \_\_\_\_\_
- c** Enter the EIN of the issuer of the master pool obligation ▶ \_\_\_\_\_
- d** Enter the name of the issuer of the master pool obligation ▶ \_\_\_\_\_
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☒ **39**
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐ **40**
- 41a** If the issuer has identified a hedge, check here ☐ and enter the following information:
- b** Name of hedge provider ▶ \_\_\_\_\_
- c** Type of hedge ▶ \_\_\_\_\_
- d** Term of hedge ▶ \_\_\_\_\_
- 42** If the issuer has superintegrated the hedge, check box ☐ **42**
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ☒ **43**
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ☒ **44**
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ☐ and enter the amount of reimbursement . . . . . \$ \_\_\_\_\_
- b** Enter the date the official intent was adopted ▶ \_\_\_\_\_

**Signature and Consent**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

  
Signature of issuer's authorized representative

January 30, 2013  
Date

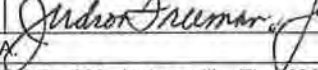
Gib Coerper, Mayor  
Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name

Judson Freeman, Jr., Esq.

Preparer's signature



Date

01/30/2013

Check ☐ if self-employed

PTIN

P01079455

Firm's name ▶ Bryant Miller Olive P.A.

Firm's EIN ▶ 59-1315801

Firm's address ▶ 111 Riverside Avenue, Suite 200, Jacksonville, FL 32202

Phone no. (904) 652-0785

## ATTACHMENT TO FORM 8038-G

Lines 43 and 44

The City has drafted written policies and procedures to (a) monitor the provisions of Section 148 of the Code, and (b) ensure that all nonqualified bonds are remediated according to the Code and the Regulations. Such policies and procedures are currently in the process of being reviewed internally and by Bond Counsel and it is expected that they will be implemented soon.

**STATE OF FLORIDA - DIVISION OF BOND FINANCE LOCAL BOND MONITORING**

[Home](#)

[Account](#)

[Logout](#)

**Notice of Sale Status**

Notice of Sale submission successful.

Submit Date: 1/22/2013

Bond Issue Name: City of Alachua, Florida Utility Refunding Revenue Bond, Series 2013

Sale Date: 1/30/2013

Closing Date: 1/30/2013

[Print this page](#)



## NAME OF GOVERNMENTAL UNIT

City of Alachua, Florida

## MAILING ADDRESS OF GOVERNMENTAL UNIT OR ITS MANAGER

Address(1) 15100 NW 142nd Terrace

Address(2)

City Alachua

State FL

Zip 32615

## COUNT(IES) IN WHICH GOVERNMENTAL UNIT HAS JURISDICTION

Alachua

## TYPE OF ISSUER

City

IS THE ISSUER A COMMUNITY DEVELOPMENT DISTRICT? ☐

ISSUE NAME	AMOUNT	INTEREST CALCULATION	YIELD
City of Alachua, Florida Utility Refunding Revenue Bond, Series 2013	\$4,800,000.00	Arbi	1.670196

## AMOUNT AUTHORIZED

\$5,000,000.00

## DATED DATE (MM/DD/YYYY)

1/30/2013

## SALE DATE (MM/DD/YYYY)

1/30/2013

## DELIVERY DATE (MM/DD/YYYY)

1/30/2013

## LEGAL AUTHORITY FOR ISSUANCE

Ch. 166, F.S.

## TYPE OF ISSUE

Revenue

IS THIS A PRIVATE ACTIVITY BOND (PAB)? ☐Did This Issue Receive a PAB Allocation? ☐

Amount of Allocation

\$0.00

## SPECIFIC REVENUES(S) PLEDGED

Primary

Other

Secondary

Other

## PURPOSE(S) OF THE ISSUE

Primary

Refunding

Secondary

Other

## Utility Charges and Excise Taxes

IS THIS A REFUNDING ISSUE? ☒

ISSUE NAME	DATE	ORIGINAL PAR VALUE	PAR VALUE REFUNDED
City of Alachua, Florida Utilities Revenue Bond, Series 1979	12/17/1979	\$830,800.00	\$286,000.00
City of Alachua, Florida Utility Refunding Revenue Bonds, Series 2003	8/15/2003	\$9,180,000.00	\$5,905,000.00

REFUNDED DEBT HAS BEEN

Defeased

DID THE REFUNDING ISSUE CONTAIN NEW MONEY? ☐

APPROXIMATELY WHAT PERCENTAGE OF PROCEEDS IS NEW MONEY?

TYPE OF SALE

Negotiated Private Placement

INSURANCE/ENHANCEMENTS

No Credit Enhancement

RATING(S)

Moody's

NR

S &amp; P

NR

Fitch

NR

Other

DEBT SERVICE SCHEDULE PROVIDED BY

E-mail

OPTIONAL REDEMPTION PROVISIONS PROVIDED BY

E-mail

PROVIDE THE NAME AND ADDRESS OF THE SENIOR MANAGING UNDERWRITER OR SOLE PURCHASER

Underwriter Branch Banking and Trust Company

Address(1) 5130 Parkway Plaza Boulevard

Address(2) Building No. 9

City Charlotte

State NC

Zip 28217

CO-Underwriter None

Address(1)

Address(2)

City

State -  
Zip

PROVIDE THE NAME(S) AND ADDRESS(ES) OF ANY ATTORNEY OR FINANCIAL CONSULTANT WHO ADVISED THE UNIT OF LOCAL GOVERNMENT WITH RESPECT TO THE BOND ISSUE

**Bond Counsel** Bryant, Miller & Olive  
Address(1) 111 Riverside Avenue  
Address(2) Suite 200  
City Jacksonville  
State FL  
Zip 32202

**CO-Bond Counsel** None  
Address(1)  
Address(2)  
City  
State -  
Zip

**Financial Advisor/Consultant** Public Financial Management, Inc.  
Address(1) 300 South Orange Avenue  
Address(2) Suite 1170  
City Orlando  
State FL  
Zip 32801

**CO-Financial Advisor/Consultant** None  
Address(1)  
Address(2)  
City  
State -  
Zip

**Other Professionals**  
Address(1)  
Address(2)  
City  
State -  
Zip

PAYING AGENT

City Clerk, City of Alachua

REGISTRAR

City Clerk, City of Alachua

### BF2004-A AND BF2004-B

NOTE: The following items are required to be completed in full for all bond issues except those sold pursuant to Section 154 Part III, Sections 159 Parts II, III, or V; or Section 243 Part I, Florida Statutes.

HAS ANY FEE, BONUS, OR GRATUITY BEEN PAID BY ANY UNDERWRITER OR FINANCIAL CONSULTANT, IN CONNECTION WITH THE BOND ISSUE, TO ANY PERSON NOT REGULARLY EMPLOYED OR ENGAGED BY SUCH UNDERWRITER OR CONSULTANT? IF YES, PLEASE PROVIDE THE FOLLOWING INFORMATION WITH RESPECT TO EACH SUCH UNDERWRITER OR CONSULTANT.

HAVE ANY OTHER FEES BEEN PAID BY THE UNIT OF LOCAL GOVERNMENT WITH RESPECT TO THE BOND ISSUE, INCLUDING ANY FEE PAID TO ATTORNEYS OF FINANCIAL CONSULTANTS? IF YES, PLEASE PROVIDE THE TOTAL FEES PAID TO APPLICABLE PARTICIPANTS.

Total Bond Counsel Fees Paid

\$20,000.00

Total Financial Advisor Fees Paid

\$7,500.00

## Other Fees Paid

COMPANY NAME	FEE PAID	SERVICE PROVIDED OR FUNCTION SERVED
Branch Banking and Trust Company	\$500.00	Bank Credit Review Fee
Edwards Cohen	\$3,000.00	Bank Counsel
Rush & Glassman	\$3,000.00	Issuer Counsel

FILING OF THIS FORM HAS BEEN AUTHORIZED BY THE OFFICIAL OF THE ISSUER IDENTIFIED BELOW

Name

Gib Coerper, Mayor

Title

Governmental Officer primarily responsible for coordinating issuance of the bonds

## FEES CHARGED BY UNDERWRITER

Management Fee (Per Thousand Par Value)

0

Private Placement Fee

\$0.00

UNDERWRITER'S EXPECTED GROSS SPREAD (PER THOUSAND PAR VALUE)

6.46

## FOR ADDITIONAL INFORMATION, THE DIVISION OF BOND FINANCE SHOULD CONTACT:

Name      Jud Freeman, Esq.  
 Title      Bond Counsel  
 Phone      9046558542  
 Company   Bryant Miller Olive P.A.  
 Address(1) 7511 Devondale Way  
 Address(2)  
 City      Jacksonville  
 State      FL  
 Zip      32256

## INFORMATION RELATING TO PARTY COMPLETING THIS FORM (IF DIFFERENT FROM ABOVE)

Name  
 Title  
 Phone  
 Company  
 Address(1)  
 Address(2)  
 City  
 State      -  
 Zip

In order to better serve local governments, the Division of Bond Finance will remind issuers as their deadlines approach for filing continuing disclosure information required by SEC Rule 15c2-12, based on the following information:

IF THE ISSUER IS REQUIRED TO PROVIDE CONTINUING DISCLOSURE INFORMATION IN ACCORDANCE WITH SEC RULE 15c2-12, DO YOU WANT THE DIVISION OF BOND FINANCE TO REMIND YOU OF YOUR FILING DEADLINE? ☐

ON WHAT DATE IS THE CONTINUING DISCLOSURE INFORMATION REQUIRED TO BE FILED? (MM/DD)

PROVIDE THE FOLLOWING INFORMATION REGARDING THE PERSON(S) RESPONSIBLE FOR FILING CONTINUING DISCLOSURE INFORMATION REQUIRED BY SEC RULE 15c2-12 AND THE CONTINUING DISCLOSURE AGREEMENT (INCLUDING OTHER OBLIGATED PARTIES, IF APPROPRIATE).



Name	
Title	
Phone	
Company	
Address(1)	
Address(2)	
City	
State	-
Zip	
Fax	
Email	

NOTICE OF REDEMPTION  
CITY OF ALACHUA, FLORIDA  
UTILITIES REVENUE BOND, SERIES 1979

NOTICE IS HEREBY GIVEN by the City of Alachua, Florida (the "City"), that the outstanding Utilities Revenue Bond, Series 1979, dated and originally issued on December 17, 1979, by the City, which is payable in installments on April 1 in the years and amounts as follows:


<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2013	\$35,000	5.00%
2014	37,000	5.00
2015	38,000	5.00
2016	40,000	5.00
2017	43,000	5.00
2018	45,000	5.00
2019	48,000	5.00

and which are redeemable as a whole on April 1, 2013 (the "Redemption Date"), at the option of the City, at the redemption price of the outstanding principal amount of the bond, together with interest accrued thereon to the date fixed for redemption (collectively, the "Redemption Price"), will be redeemed on the Redemption Date.

Payment of the Redemption Price will be made on the Redemption Date at the office of Berkadia, 118 Welsh Road, Horsham, PA 19044, servicer of the holder of such bond, or such other address specified by the servicer. Interest on the bond will cease to accrue from and after the Redemption Date.

Dated and mailed January 31, 2013.

CITY OF ALACHUA, FLORIDA



By: /s/ Traci L. Cain  
City Manager and Clerk

NOTICE OF REDEMPTION  
CITY OF ALACHUA, FLORIDA  
UTILITY REFUNDING REVENUE BONDS, SERIES 2003

NOTICE IS HEREBY GIVEN by the City of Alachua, Florida (the "City"), that the outstanding Utility Refunding Revenue Bonds, Series 2003, of the City, dated August 15, 2003, and originally issued on September 4, 2003, maturing on April 1 in the years and amounts, and bearing interest at the rates per annum and the CUSIP numbers as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP#</u>
2013	\$635,000	3.85%	010713GQ2
2014	655,000	4.00	010713GR0
2015	685,000	4.05	010713GS8
2016	715,000	4.15	010713GT6
2017	740,000	4.25	010713GU3
2018	775,000	4.35	010713GV1
2019	810,000	4.45	010713GW9
2020	890,000	4.55	010713GX7

and which are redeemable as a whole on April 1, 2013 (the "Redemption Date"), at the option of the City, at the par amount of the bonds to be so redeemed plus a premium of 1% of the bonds being redeemed (the "Redemption Price"), together with interest accrued thereon to the Redemption Date, will be redeemed on the Redemption Date.

Payment of the Redemption Price, plus accrued interest, of the bonds will be made on the Redemption Date, at the office of The Bank of New York Mellon Trust Company in Dallas, Texas. Interest on the bonds being redeemed will cease to accrue from and after the Redemption Date.

Dated and mailed January 31, 2013.

CITY OF ALACHUA, FLORIDA



By: /s/ Traci L. Cain

City Manager and Clerk

SERVICER REDEMPTION CERTIFICATE

Berkadia Commercial Mortgage, LLC, Horsham, Pennsylvania, through its authorized officer, hereby certifies that it is the servicer for the registered owner of the outstanding Alachua, Florida (the "City"), Utilities Revenue Bond, Series 1979 (the "1979 Bond"); it is authorized to receive regularly scheduled and/or redemption payments on the 1979 Bond for the account of the registered owner of the 1979 Bond; it is advised that the City intends to redeem the 1979 Bond on April 1, 2013; and it is authorized to compute and has provided to the City, a 1979 Bond payoff amount for the proposed April 1, 2013, redemption date.

Dated December 11, 2012.

BERKADIA COMMERCIAL MORTGAGE, LLC

By Carolyn Caudwell  
Authorized Representative



## SOURCES AND USES OF FUNDS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

Final Numbers  
Loan Provider: BB&T

Sources:	2013_1	2013_2	Total
Bond Proceeds:			
Par Amount	4,585,000.00	215,000.00	4,800,000.00
Other Sources of Funds:			
Debt Service Reserve Release	918,000.00	43,320.00	961,320.00
Sinking Fund Contribution	612,421.00	41,083.00	653,504.00
	1,530,421.00	84,403.00	1,614,824.00
	6,115,421.00	299,403.00	6,414,824.00
Uses:	2013_1	2013_2	Total
Refunding Escrow Deposits:			
Cash Deposit	6,082,582.50	300,310.00	6,382,892.50
Delivery Date Expenses:			
Cost of Issuance	29,611.46	1,388.54	31,000.00
Other Uses of Funds:			
Additional Proceeds	3,227.04	-2,295.54	931.50
	6,115,421.00	299,403.00	6,414,824.00

## BOND SUMMARY STATISTICS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Final Numbers  
Loan Provider: BB&T

Dated Date	01/30/2013
Delivery Date	01/30/2013
Last Maturity	04/01/2020
Arbitrage Yield	1.670196%
True Interest Cost (TIC)	1.670196%
Net Interest Cost (NIC)	1.670000%
All-In TIC	1.833964%
Average Coupon	1.670000%
Average Life (years)	4.152
Duration of Issue (years)	3.995
Par Amount	4,800,000.00
Bond Proceeds	4,800,000.00
Total Interest	332,803.17
Net Interest	332,803.17
Total Debt Service	5,132,803.17
Maximum Annual Debt Service	721,857.00
Average Annual Debt Service	715,927.60
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	4,800,000.00	100.000	1.670%	4.152	1,918.25
	4,800,000.00			4.152	1,918.25

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,800,000.00	4,800,000.00	4,800,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-31,000.00	
- Other Amounts			
Target Value	4,800,000.00	4,769,000.00	4,800,000.00
Target Date	01/30/2013	01/30/2013	01/30/2013
Yield	1.670196%	1.833964%	1.670196%

## SUMMARY OF BONDS REFUNDED

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Final Numbers  
Loan Provider: BB&T

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Utilities Revenue Bonds, Series 1979, 1979:					
BOND	04/01/2013	5.000%	35,000.00		
	04/01/2014	5.000%	37,000.00	04/01/2013	100.000
	04/01/2015	5.000%	38,000.00	04/01/2013	100.000
	04/01/2016	5.000%	40,000.00	04/01/2013	100.000
	04/01/2017	5.000%	43,000.00	04/01/2013	100.000
	04/01/2018	5.000%	45,000.00	04/01/2013	100.000
	04/01/2019	5.000%	48,000.00	04/01/2013	100.000
			286,000.00		
Utility Refunding Revenue Bonds, Series 2003, 2003:					
BOND	04/01/2013	3.850%	635,000.00		
	04/01/2014	4.000%	655,000.00	04/01/2013	101.000
	04/01/2015	4.050%	685,000.00	04/01/2013	101.000
	04/01/2016	4.150%	715,000.00	04/01/2013	101.000
	04/01/2017	4.250%	740,000.00	04/01/2013	101.000
	04/01/2018	4.350%	775,000.00	04/01/2013	101.000
	04/01/2019	4.450%	810,000.00	04/01/2013	101.000
	04/01/2020	4.550%	890,000.00	04/01/2013	101.000
			5,905,000.00		
			6,191,000.00		

## SUMMARY OF REFUNDING RESULTS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Final Numbers  
Loan Provider: BB&T

Dated Date	01/30/2013
Delivery Date	01/30/2013
Arbitrage yield	1.670196%
Escrow yield	
Bond Par Amount	4,800,000.00
True Interest Cost	1.670196%
Net Interest Cost	1.670000%
Average Coupon	1.670000%
Average Life	4.152
Par amount of refunded bonds	6,191,000.00
Average coupon of refunded bonds	4.386348%
Average life of refunded bonds	3.887
PV of prior debt to 01/30/2013 @ 1.670196%	6,908,020.91
Net PV Savings	494,128.41
Percentage savings of refunded bonds	7.981399%
Percentage savings of refunding bonds	10.294342%

## SAVINGS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Final Numbers  
Loan Provider: BB&T

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Annual Savings	Present Value to 01/30/2013 @ 1.6701957%
01/30/2013		653,504.00	-653,504.00		-653,504.00		-653,504.00
04/01/2013	809,182.50		809,182.50	118,582.67	690,599.83	37,095.83	688,656.25
10/01/2013	112,658.75		112,658.75	39,203.25	73,455.50		72,642.14
04/01/2014	817,208.75		817,208.75	674,203.25	143,005.50	216,461.00	140,250.79
10/01/2014	99,558.75		99,558.75	33,901.00	65,657.75		63,859.70
04/01/2015	833,258.75		833,258.75	683,901.00	149,357.75	215,015.50	144,064.47
10/01/2015	85,687.50		85,687.50	28,473.50	57,214.00		54,729.28
04/01/2016	849,487.50		849,487.50	688,473.50	161,014.00	218,228.00	152,745.82
10/01/2016	70,851.25		70,851.25	22,962.50	47,888.75		45,053.39
04/01/2017	860,651.25		860,651.25	687,962.50	172,688.75	220,577.50	161,118.82
10/01/2017	55,126.25		55,126.25	17,409.75	37,716.50		34,898.11
04/01/2018	879,776.25		879,776.25	697,409.75	182,366.50	220,083.00	167,341.57
10/01/2018	38,270.00		38,270.00	11,731.75	26,538.25		24,150.12
04/01/2019	898,670.00		898,670.00	706,731.75	191,938.25	218,476.50	173,219.53
10/01/2019	20,247.50		20,247.50	5,928.50	14,319.00		12,815.52
04/01/2020	910,247.50		910,247.50	715,928.50	194,319.00	208,638.00	172,475.40
	7,340,882.50	653,504.00	6,687,378.50	5,132,803.17	1,554,575.33	1,554,575.33	1,454,516.91

Savings Summary

PV of savings from cash flow	1,454,516.91
Less: Prior funds on hand	-961,320.00
Plus: Refunding funds on hand	931.50
Net PV Savings	494,128.41



## BOND DEBT SERVICE

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

Final Numbers  
Loan Provider: BB&T

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2013	105,000	1.670%	13,582.67	118,582.67	118,582.67
10/01/2013			39,203.25	39,203.25	
04/01/2014	635,000	1.670%	39,203.25	674,203.25	713,406.50
10/01/2014			33,901.00	33,901.00	
04/01/2015	650,000	1.670%	33,901.00	683,901.00	717,802.00
10/01/2015			28,473.50	28,473.50	
04/01/2016	660,000	1.670%	28,473.50	688,473.50	716,947.00
10/01/2016			22,962.50	22,962.50	
04/01/2017	665,000	1.670%	22,962.50	687,962.50	710,925.00
10/01/2017			17,409.75	17,409.75	
04/01/2018	680,000	1.670%	17,409.75	697,409.75	714,819.50
10/01/2018			11,731.75	11,731.75	
04/01/2019	695,000	1.670%	11,731.75	706,731.75	718,463.50
10/01/2019			5,928.50	5,928.50	
04/01/2020	710,000	1.670%	5,928.50	715,928.50	721,857.00
	4,800,000		332,803.17	5,132,803.17	5,132,803.17

## BOND DEBT SERVICE

City of Alachua, FL  
Utility Refunding Revenue Bonds, Series 2013

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## 2003 Refunding Component

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2013	100,000	1.670%	12,974.28	112,974.28	112,974.28
10/01/2013			37,449.75	37,449.75	
04/01/2014	600,000	1.670%	37,449.75	637,449.75	674,899.50
10/01/2014			32,439.75	32,439.75	
04/01/2015	615,000	1.670%	32,439.75	647,439.75	679,879.50
10/01/2015			27,304.50	27,304.50	
04/01/2016	625,000	1.670%	27,304.50	652,304.50	679,609.00
10/01/2016			22,085.75	22,085.75	
04/01/2017	630,000	1.670%	22,085.75	652,085.75	674,171.50
10/01/2017			16,825.25	16,825.25	
04/01/2018	645,000	1.670%	16,825.25	661,825.25	678,650.50
10/01/2018			11,439.50	11,439.50	
04/01/2019	660,000	1.670%	11,439.50	671,439.50	682,879.00
10/01/2019			5,928.50	5,928.50	
04/01/2020	710,000	1.670%	5,928.50	715,928.50	721,857.00
	4,585,000		319,920.28	4,904,920.28	4,904,920.28

## BOND DEBT SERVICE

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

## 1979 Refunding Component

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2013	5,000	1.670%	608.39	5,608.39	5,608.39
10/01/2013			1,753.50	1,753.50	
04/01/2014	35,000	1.670%	1,753.50	36,753.50	38,507.00
10/01/2014			1,461.25	1,461.25	
04/01/2015	35,000	1.670%	1,461.25	36,461.25	37,922.50
10/01/2015			1,169.00	1,169.00	
04/01/2016	35,000	1.670%	1,169.00	36,169.00	37,338.00
10/01/2016			876.75	876.75	
04/01/2017	35,000	1.670%	876.75	35,876.75	36,753.50
10/01/2017			584.50	584.50	
04/01/2018	35,000	1.670%	584.50	35,584.50	36,169.00
10/01/2018			292.25	292.25	
04/01/2019	35,000	1.670%	292.25	35,292.25	35,584.50
	215,000		12,882.89	227,882.89	227,882.89

## PRIOR BOND DEBT SERVICE

City of Alachua, FL  
Utility Refunding Revenue Bonds, Series 2013

## 2003 Refunding Component

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2013	635,000	3.850%	124,882.50	759,882.50	759,882.50
10/01/2013			112,658.75	112,658.75	
04/01/2014	655,000	4.000%	112,658.75	767,658.75	880,317.50
10/01/2014			99,558.75	99,558.75	
04/01/2015	685,000	4.050%	99,558.75	784,558.75	884,117.50
10/01/2015			85,687.50	85,687.50	
04/01/2016	715,000	4.150%	85,687.50	800,687.50	886,375.00
10/01/2016			70,851.25	70,851.25	
04/01/2017	740,000	4.250%	70,851.25	810,851.25	881,702.50
10/01/2017			55,126.25	55,126.25	
04/01/2018	775,000	4.350%	55,126.25	830,126.25	885,252.50
10/01/2018			38,270.00	38,270.00	
04/01/2019	810,000	4.450%	38,270.00	848,270.00	886,540.00
10/01/2019			20,247.50	20,247.50	
04/01/2020	890,000	4.550%	20,247.50	910,247.50	930,495.00
	5,905,000		1,089,682.50	6,994,682.50	6,994,682.50

## PRIOR BOND DEBT SERVICE

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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## 1979 Refunding Component

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2013	35,000	5.000%	14,300	49,300	49,300
04/01/2014	37,000	5.000%	12,550	49,550	49,550
04/01/2015	38,000	5.000%	10,700	48,700	48,700
04/01/2016	40,000	5.000%	8,800	48,800	48,800
04/01/2017	43,000	5.000%	6,800	49,800	49,800
04/01/2018	45,000	5.000%	4,650	49,650	49,650
04/01/2019	48,000	5.000%	2,400	50,400	50,400
	286,000		60,200	346,200	346,200



## ESCROW REQUIREMENTS

City of Alachua, FL  
Utility Refunding Revenue Bonds, Series 2013

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## 2003 Refunding Component

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
04/01/2013	635,000.00	124,882.50	5,270,000.00	52,700.00	6,082,582.50
	635,000.00	124,882.50	5,270,000.00	52,700.00	6,082,582.50

## ESCROW REQUIREMENTS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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1979 Refunding Component

Period Ending	Principal	Interest	Principal Redeemed	Total
04/01/2013	35,000.00	14,300.00	251,000.00	300,300.00
	35,000.00	14,300.00	251,000.00	300,300.00

## COST OF ISSUANCE

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Final Numbers  
Loan Provider: BB&T

Cost of Issuance	\$/1000	Amount
Bond Counsel Fee	4.16667	20,000.00
Financial Advisor Fee	1.56250	7,500.00
Bank Fees	0.72917	3,500.00
	6.45833	31,000.00

## FORM 8038 STATISTICS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

Final Numbers  
Loan Provider: BB&T

Dated Date 01/30/2013

Delivery Date 01/30/2013

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	04/01/2013	105,000.00	1.670%	100.000	105,000.00	105,000.00
	04/01/2014	635,000.00	1.670%	100.000	635,000.00	635,000.00
	04/01/2015	650,000.00	1.670%	100.000	650,000.00	650,000.00
	04/01/2016	660,000.00	1.670%	100.000	660,000.00	660,000.00
	04/01/2017	665,000.00	1.670%	100.000	665,000.00	665,000.00
	04/01/2018	680,000.00	1.670%	100.000	680,000.00	680,000.00
	04/01/2019	695,000.00	1.670%	100.000	695,000.00	695,000.00
	04/01/2020	710,000.00	1.670%	100.000	710,000.00	710,000.00
		4,800,000.00			4,800,000.00	4,800,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	04/01/2020	1.670%	710,000.00	710,000.00		
Entire Issue			4,800,000.00	4,800,000.00	4.1517	1.6702%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	31,000.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	4,768,068.50
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	3.8852
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

## FORM 8038 STATISTICS

City of Alachua, FL  
Utility Refunding Revenue Bond, Series 2013

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Final Numbers  
Loan Provider: BB&T

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
Utilities Revenue Bonds, Series 1979:					
BOND	04/01/2013	35,000.00	5.000%	100.000	35,000.00
BOND	04/01/2014	37,000.00	5.000%	100.000	37,000.00
BOND	04/01/2015	38,000.00	5.000%	100.000	38,000.00
BOND	04/01/2016	40,000.00	5.000%	100.000	40,000.00
BOND	04/01/2017	43,000.00	5.000%	100.000	43,000.00
BOND	04/01/2018	45,000.00	5.000%	100.000	45,000.00
BOND	04/01/2019	48,000.00	5.000%	100.000	48,000.00
		286,000.00			286,000.00
Utility Refunding Revenue Bonds, Series 2003:					
BOND	04/01/2013	635,000.00	3.850%	99.598	632,447.30
BOND	04/01/2014	655,000.00	4.000%	99.567	652,163.85
BOND	04/01/2015	685,000.00	4.050%	99.537	681,828.45
BOND	04/01/2016	715,000.00	4.150%	99.509	711,489.35
BOND	04/01/2017	740,000.00	4.250%	99.484	736,181.60
BOND	04/01/2018	775,000.00	4.350%	99.460	770,815.00
BOND	04/01/2019	810,000.00	4.450%	99.438	805,447.80
BOND	04/01/2020	890,000.00	4.550%	99.418	884,820.20
		5,905,000.00			5,875,193.55
		6,191,000.00			6,161,193.55

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
Utilities Revenue Bonds, Series 1979	04/01/2013	04/01/2011	3.3792
Utility Refunding Revenue Bonds, Series 2003	04/01/2013	08/15/2003	3.9098
All Refunded Issues	04/01/2013		3.8852



\$4,800,000  
CITY OF ALACHUA, FLORIDA  
UTILITY REFUNDING REVENUE BOND, SERIES 2013  
Dated and Delivered January 30, 2013

AUTHORIZATION

1. Certified Copy of Resolution No. 13-07

BASIC CLOSING DOCUMENTS

2. Certificate of Award
3. Closing Certificate of City
4. Tax Certificate
5. Certificate of Bank
6. Specimen Bond
7. Opinion of Bond Counsel
8. City Attorney Opinion
9. IRS Form 8038-G (w/cover letter)
10. Advance Notice of Sale to Division of Bond Finance
11. Division of Bond Finance Form
12. Notice of Redemption (Series 1979 Bonds)
13. Notice of Redemption (Series 2003 Bonds)
14. Servicer Redemption Certificate
15. Final Numbers

DISTRIBUTION

1. City (1 Bound/1 CD)
2. City Attorney (1 Bound/1 CD)
3. Bond Counsel (1 Bound/1 CD)
4. Purchaser (1 Bound/1 CD)
5. Purchaser Counsel (1 Bound/1 CD)
6. Financial Advisor (1 Bound/1 CD)