

## LIST OF CLOSING DOCUMENTS

\$14,715,000  
City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

Date of Closing:  
February 14, 2014

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1. Certified copy of Resolution No. 130549 (without Exhibits) adopted by the City Commission of the City of Gainesville, Florida (the "City") on February 6, 2014.
2. Loan Agreement dated as of February 14, 2014, between the City and TD Bank, N.A. (the "Bank").
3. Copy of Refunding Revenue Note, Series 2014.
4. Escrow Deposit Agreement dated as of February 14, 2014, between the City and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent").
5. Copy of Certificate of Public Meetings and No Conflict of Interest executed by all members of the City Commission of the City.
6. Certificate of the City as to signatures, officials, seal, no litigation and other matters.
7. Certificate as to Compliance with Anti-Dilution Test.
8. City's Certificate as to Tax, Arbitrage and Other Matters.
9. Investment Letter to City.
10. Letter to IRS and Form 8038-G.
11. Tax Certificate of Bank.
12. Certificate of City concerning Delivery and Payment and Application of Funds.
13. Receipt for Note.
14. Opinion of City Attorney.

15.   A.    Opinion of Bond Counsel.  
      B.    Defeasance Opinion.
16.   Copy of Electronic Advance Notice of Sale to Division of Bond Finance.
17.   Copy of Electronic Filing of Forms BF 2003, BF 2004-A and BF 2004-B with the Division of Bond Finance.
18.   Bank's Disclosure Letter.
19.   Bank's Investment Certificate.
20.   Irrevocable Instructions to Call Outstanding Bonds.
21.   Copy of Written Procedures Related to Form 8038-G (including Resolution).
22.   Certificate of Authority and Incumbency of Escrow Agent.
23.   Certificate of Refunded Bonds Paying Agent.
24.   Copy of Schedules.
25.   Verification Report.
26.   Subscription for purchase of SLGs.
27.   Notice of Defeasance.
28.   Evidence of Filing Material Events Notice.
29.   Notice to MBIA Insurance Corporation.
30.   Financial Advisor's Disclosure Statement.
31.   Copy of Closing Memorandum.

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DISTRIBUTION LIST

City of Gainesville, Florida (2)  
Holland & Knight LLP  
TD Bank, N.A.  
The Bank of New York Mellon Trust Company, N.A.  
Public Financial Management, Inc.  
Bryant Miller Olive P.A.

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CERTIFICATE OF CLERK

I, KURT M. LANNON, Clerk of the Commission (the "Governing Body") of the City of Gainesville, Florida (the "Issuer"), do hereby certify that attached hereto is a true and correct copy of Resolution No. 130549 (without exhibits), adopted by the Governing Body of the Issuer on February 6, 2014, at a meeting which was duly called and held and at which meeting a quorum was present and voting throughout. The Resolution remains in full force and effect as of the date hereof and has not been modified or amended as of the date hereof.

Witness my hand this 14<sup>th</sup> day of February, 2014.



Kurt M. Lannon, Clerk of the  
Commission

RESOLUTION NO. 130549

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA AUTHORIZING A LOAN IN A PRINCIPAL AMOUNT NOT EXCEEDING \$15,000,000 TO ADVANCE REFUND A PORTION OF THE CITY'S CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2005 AND TO PAY THE COSTS OF SUCH LOAN; APPROVING THE FORM OF A REFUNDING REVENUE NOTE, SERIES 2014, A LOAN AGREEMENT AND AN ESCROW DEPOSIT AGREEMENT; DELEGATING TO THE MAYOR, THE MAYOR-COMMISSIONER PRO TEMPORE, THE CITY MANAGER, THE ADMINISTRATIVE SERVICES DIRECTOR OR THE FINANCE DIRECTOR TO ESTABLISH THE LOAN AMOUNT; APPOINTING THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. TO ACT AS ESCROW AGENT UNDER SUCH ESCROW DEPOSIT AGREEMENT; APPOINTING ROBERT THOMAS CPA, LLC AS VERIFICATION AGENT WITH RESPECT TO THE DEFEASANCE OF THE BONDS BEING REFUNDED; PROVIDING OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA (the "Issuer") that:

**Section 1. Authority for this Resolution.** This Resolution is adopted pursuant to the Charter of the Issuer, Chapter 166, Florida Statutes, Article VIII, Section 2, Constitution of the State of Florida, and other applicable provisions of law (collectively, the "Act").

**Section 2. Definitions.** Words and phrases used herein in capitalized form and not otherwise defined herein (including, without limitation, in the preamble hereto) shall have the meanings ascribed thereto in the Loan Agreement (hereinafter defined) and, in addition, the following words and phrases shall have the following meanings:

"Authorized Signatories" means any one or more of the Mayor, the Mayor-Commissioner Pro Tempore, the City Manager, the Administrative Services Director or the Finance Director of the Issuer.

"Loan Amount" means the amount established pursuant to the terms hereof, not exceeding \$15,000,000.

**Section 3. Authorization of Transaction.** In order to obtain funds to advance refund the City of Gainesville, Florida Capital Improvement Revenue Bonds, Series 2005 maturing on October 1 of the years 2016 through 2025 (the "Refunded Bonds") and to pay the costs of the Loan (hereinafter defined), the Issuer is authorized to obtain a loan (the "Loan") and to borrow an amount equal to the Loan Amount from TD Bank, N.A. (the "Bank"), the Bank having been selected through a request for proposals process.

Because of prevailing and anticipated market conditions and the nature of the Loan, and taking into account the advice of Public Financial Management, Inc., the Issuer's financial advisor (the "Financial Advisor"), it is not feasible, cost effective or advantageous to enter into the Loan through a competitive sale and it is in the best interest of the Issuer to accept the terms

of the Loan from the Bank in a principal amount of the Loan Amount, at a negotiated sale upon the terms and conditions outlined herein and in the Loan Agreement (as hereinafter defined) and as determined by the Authorized Signatories executing the Loan Agreement in accordance with the terms hereof.

Prior to its execution and delivery of the Loan Documents and the Escrow Deposit Agreement, as such terms are hereinafter defined, the Issuer shall have received from the Bank a disclosure statement containing the information required by Section 218.385(6), Florida Statutes, and a Truth-in-Bonding Statement pursuant to Section 218.385(3), Florida Statutes, and no further disclosure is or shall be required by the Issuer.

**Section 4. Loan Agreement and Note.** The Issuer is authorized to execute a Loan Agreement with the Bank in substantially the form attached hereto as Exhibit "A" (the "Loan Agreement") and to make and deliver to the Bank the Refunding Revenue Note, Series 2014 (the "Note") in the form attached to the Loan Agreement. The forms and terms of the Loan Agreement and the Note (collectively, the "Loan Documents") attached hereto are hereby approved, and the Authorized Signatories are authorized on behalf of the Issuer to execute and deliver the same, with such changes, insertions, omissions and filling of blanks as may be approved by the Authorized Signatories, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatories signing the same. The Authorized Signatories executing the Note are hereby delegated the authority to establish the Loan Amount, which shall not in any event exceed \$15,000,000, the execution of the Note showing such amount on its face being conclusive evidence of such establishment. The Clerk of the Commission or any Deputy Clerk of the Commission or any Acting Clerk of the Commission may authenticate or attest the signatures of the Authorized Signatories on the Loan Documents.

**Section 5. Escrow Deposit Agreement.** The form and terms of the Escrow Deposit Agreement attached hereto as Exhibit B (the "Escrow Agreement") are hereby approved by the Issuer, and the Authorized Signatories are authorized to execute and deliver the same on behalf of the Issuer, with such changes, insertions, omissions and filling of blanks as may be approved by the Authorized Signatories, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatories. The Clerk of the Commission or any Deputy Clerk of the Commission or any Acting Clerk of the Commission may authenticate or attest the signatures of the Authorized Signatories on the Escrow Agreement. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Escrow Agent (the "Escrow Agent"), and shall undertake the duties as such under the terms of the Escrow Agreement, and to the extent applicable, this Resolution.

In connection with the refunding of the Refunded Bonds the Authorized Signatories are hereby authorized to cause proceeds of the Loan and other legally available funds, and earnings thereon, to be invested in United States Treasury Securities – State and Local Government Series ("SLGS") or other obligations permitted to be used to accomplish the defeasance of the Refunded Bonds in such amounts, at such times, maturing at such times and having such rate or rates of interest as such officer shall determine is necessary or desirable; and any authorized officer of the Escrow Agent or of PFM Asset Management LLC, an affiliate of the Financial Advisor, is hereby authorized in the name and on behalf of the Issuer to submit subscriptions to the Bureau of Public Debt of the United States Department of the Treasury for the purchase of

book-entry form SLGS, and to take such other action as such person deems necessary or appropriate to effectuate such purposes or to purchase such other obligations.

The Issuer hereby authorizes the redemption of the Refunded Bonds on October 1, 2015, at par.

**Section 6. Loan Agreement and Note Not to be General Obligation or Indebtedness of the Issuer.** The Loan Agreement and Note and the obligations of the Issuer thereunder shall not be deemed to constitute general obligations or a pledge of the faith and credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, but shall be payable solely from and secured by a lien upon and a pledge of (i) the Non-Ad Valorem Revenues (as defined in the Loan Agreement) actually budgeted and appropriated and deposited into the Refunding Revenue Note, Series 2014 Debt Service Account, which is hereby created (the "Debt Service Account"), to pay debt service payments and all other amounts due and payable on or under the Loan Agreement and the Note and (ii) all funds on deposit in the Debt Service Account (including any investment securities on deposit therein) and all investment earnings on any such funds (collectively, the "Pledged Funds"), in the manner and to the extent herein and in the Loan Agreement provided. No holder or owner of the Note shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of debt service with respect thereto, or to maintain or continue any activities of the Issuer which generate user service charges, regulatory fees or other non-ad valorem revenues, nor shall any holder or owner of the Note be entitled to payment of such principal and interest from any other funds of the Issuer other than the Pledged Funds, all in the manner and to the extent herein and in the Loan Agreement provided. The Loan Agreement and the Note and the indebtedness evidenced thereby shall not constitute a lien upon any real or personal property of the Issuer, or any part thereof, or any other tangible personal property of or in the Issuer, but shall constitute a lien only on the Pledged Funds, all in the manner and to the extent provided herein and in the Loan Agreement.

Funds in the Debt Service Account, until applied to the payment of debt service on the Note, may be invested in investments authorized by law and meeting the Issuer's written investment policy, which investments shall mature no later than the date on which moneys therein shall be needed to pay such debt service.

**Section 7. Pledge.** The payment of the principal of, premium, if any, and interest under the Note and other payments due under the Loan Agreement shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Funds, all in the manner and to the extent provided herein and in the Loan Agreement. The Issuer does hereby irrevocably pledge such Pledged Funds to the payment of the principal of, premium, if any, and interest on the Note and other payments due under the Loan Agreement.

**Section 8. Application of Proceeds.** The proceeds of the Loan shall be (i) deposited to the Escrow Deposit Fund created under the Escrow Deposit Agreement to be applied to defease the Refunded Bonds and (ii) applied to pay the costs of issuance of the Note.

**Section 9. Separate Accounts.** The moneys required to be accounted for in the Debt Service Account may be deposited in a single bank or other account, and funds allocated to such account may be invested, together with other funds of the Issuer, in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of moneys on deposit therein and such investments for the various purposes of such account. The designation and establishment of the Debt Service Account shall not be construed to require the establishment of any completely independent, self-balancing fund or account, but rather is intended solely to constitute an earmarking of certain moneys or revenues for certain purposes.

**Section 10. Verification Agent.** Robert Thomas CPA, LLC is hereby appointed as verification agent with respect to the defeasance of the Refunded Bonds.

**Section 11. Severability.** If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

**Section 12. Applicable Provisions of Law.** This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

**Section 13. Authorizations.** The Authorized Signatories are hereby authorized to execute and deliver on behalf of the Issuer the Loan Documents as provided hereby. All officials and employees of the Issuer, including, without limitation, the Authorized Signatories, are authorized and empowered, collectively or individually, to take all other actions and steps and to execute all instruments, documents, and contracts on behalf of the Issuer as they shall deem necessary or desirable in connection with the completion of the Loan and the carrying out of the intention of this Resolution.

**Section 14. Repealer.** All resolutions or parts thereof in conflict herewith are hereby repealed.

**Section 15. Effective Date.** This Resolution shall take effect immediately upon its adoption.

Passed and duly adopted in public session of the City Commission of the City of Gainesville, Florida on the 6<sup>th</sup> day of February, 2014.

CITY COMMISSION OF THE CITY OF  
GAINESVILLE, FLORIDA

By: Ed B. Braddy  
Mayor Edward B. Braddy

ATTESTED:

By: [Signature]  
Clerk of the Commission Kurt Lannon

APPROVED AS TO FORM AND LEGALITY:

By: Nicolle Shalley  
City Attorney Nicolle Shalley

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## **LOAN AGREEMENT**

This LOAN AGREEMENT is made and entered into as of February 14, 2014, and is by and between the CITY OF GAINESVILLE, FLORIDA, a municipal corporation created and existing under the laws of the State of Florida, and its successors and assigns (the "Issuer"), and TD BANK, N.A., a national banking association, and its successors and assigns, as holder(s) of the hereinafter defined Note (the "Lender").

The parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

### **ARTICLE I**

#### **DEFINITION OF TERMS**

Section 1.01 Definitions. The words and terms used in capitalized form in this Agreement shall have the meanings as set forth in the recitals above and the following words and terms as used in this Agreement shall have the following meanings:

"Act" means the Charter of the Issuer, Chapter 166, Florida Statutes, Article VIII, Section 2, Constitution of the State of Florida, and other applicable provisions of law.

"Agreement" means this Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Annual Budget" means the budget or budgets, as amended and supplemented from time to time, prepared by the Issuer for each Fiscal Year in accordance with the laws of the State of Florida.

"Bond Counsel" means any attorney at law or firm of attorneys retained by the Issuer, of nationally recognized experience in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions.

"Business Day" means any day except any Saturday or Sunday or day on which the Principal Office of the Lender is lawfully closed.

"City Manager" means the City Manager of the Issuer.

"Code" means the Internal Revenue Code of 1986, as amended, and applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court rulings.

"Debt" means as of any date and without duplication, all of the following to the extent that they are payable in whole or in part from any Non-Ad Valorem Revenues: (i) all obligations of the Issuer for borrowed money or evidenced by bonds, debentures, notes or other similar instruments; (ii) all obligations of the Issuer to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; (iii) all obligations of the Issuer as lessee under capitalized leases; and (iv) all indebtedness of other persons to the extent guaranteed by, or secured by Non-Ad Valorem Revenues of, the Issuer.

"Debt Service Account" means the Refunding Revenue Note, Series 2014 Debt Service Account established by the Resolution from which the Issuer shall make payments of the principal of, interest on and any redemption or prepayment premiums with respect to the Loan under the Note.

"Escrow Agent" means The Bank of New York Mellon Trust Company, N.A., and its successors and assigns.

"Escrow Deposit Agreement" means the Escrow Deposit Agreement dated as of February 14, 2014, between the Issuer and the Escrow Agent related to the refunding of the Refunded Bonds.

"Event of Default" means an event of default specified in Article VI of this Agreement.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other period of twelve consecutive months as may hereafter be designated as the fiscal year of the Issuer by general law.

"Loan" means the loan by the Lender to the Issuer contemplated hereby.

"Loan Amount" means \$14,715,000.

"Loan Documents" means this Agreement, the Note and the Escrow Deposit Agreement.

"Mayor" means the Mayor or, in his or her absence or inability to perform, the Mayor-Commissioner Pro Tempore, of the Issuer.

"Non-Ad Valorem Revenues" means all legally available non-ad valorem revenues of the Issuer derived from any source whatsoever, other than ad valorem taxation on real and personal property, including, without limitation, investment income, which are legally available for the payment by the Issuer of debt service on the Note or Non-Self-Supporting Revenue Debt, including, without limitation, legally available non-ad valorem revenues derived from sources subject to a prior pledge thereof for the payment of other obligations of the Issuer and available after payment of principal and interest on such other obligations, after provision has been made by the Issuer for the payment of services and programs which are for essential governmental services of the Issuer or which are legally mandated by applicable law; notwithstanding the foregoing, "Non-Ad Valorem Revenues" shall not include revenues derived from the Issuer's electric system, natural gas system, water system, wastewater system, telecommunications system and stormwater management utility system, except to the extent that revenues derived from such sources have been deposited into the Issuer's general fund.

"Non-Self-Supporting Revenue Debt" means obligations evidencing indebtedness for borrowed money, including the Note, (i) the primary security for which is provided by a covenant of the Issuer to budget and appropriate Non-Ad Valorem Revenues of the Issuer for the payment of debt service on such obligations, or (ii) primarily secured or payable from another source of funds, but with respect to which the Issuer has also covenanted to budget and appropriate Non-Ad Valorem Revenues of the Issuer for the payment of debt service on such obligations, provided that obligations described in this clause (ii) shall only be considered Non-Self-Supporting Revenue Debt to the extent the Issuer has included in its budget (by amendment or otherwise) the payment of such Non-Ad Valorem Revenues pursuant to such covenant to pay debt service on such obligations. "Non-Self-Supporting Revenue Debt" shall expressly not include indebtedness payable from the revenues of a utility system, or any other enterprise fund of the Issuer, which are pledged to the payment of such indebtedness.

"Note" means the Issuer's Refunding Revenue Note, Series 2014 in the form attached hereto as Exhibit "A."

"Note Year" means the annual period beginning on the first day of October of each year and ending on the last day of the succeeding September; provided however, principal and interest on Debt maturing or becoming subject to redemption on October 1 of any year shall be deemed to mature or become subject to redemption on the last day of the preceding Note Year.

"Notice Address" means,

As to the Issuer:	Office of the City Attorney 200 E. University Avenue, Suite 425 Gainesville, Florida 32601 Email address: <a href="mailto:shalleynm@cityofgainesville.org">shalleynm@cityofgainesville.org</a>
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As to the Lender:	TD Bank, N.A. 9715 Gate Parkway North Jacksonville, Florida 32246 Attn: Coley Jones Email address: <a href="mailto:coley.jones@td.com">coley.jones@td.com</a>
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or to such other address (or email address for electronic communications) as either party may have specified in writing to the other using the procedures specified in Section 7.06.

"Person" means an individual, corporation, partnership, association, joint stock company, joint venture, trust, limited liability company, unincorporated organization or other judicial entity.

"Pledged Funds" means (i) the Non-Ad Valorem Revenues budgeted and appropriated and deposited into the Debt Service Account to pay debt service and all other amounts due and payable on the Note and (ii) all funds on deposit in the Debt Service Account (including all investment securities on deposit therein) and all investment earnings on any such funds.

"Principal Office" means, with respect to the Lender, the office located at 9715 Gate Parkway North, Jacksonville, Florida 32246, or such other office as the Lender may designate to the Issuer in writing.

"Refunded Bonds" means the Issuer's Capital Improvement Revenue Bonds, Series 2005 maturing on October 1 of the years 2016 through 2025.

"Resolution" means a Resolution adopted by the City Commission of the Issuer on February 6, 2014.

"State" means the State of Florida.

Section 1.02 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

## ARTICLE II

### REPRESENTATIONS OF ISSUER

The Issuer represents and warrants to the Lender, which representations and warranties shall be deemed made on the date hereof, that:

Section 2.01 Powers of Issuer. The Issuer is a municipal corporation, duly organized and validly existing under the laws of the State. The Issuer has the power under the Act to adopt the Resolution, to borrow the Loan Amount provided for in this Agreement, to execute and deliver the Loan Documents, to secure this Agreement and the Note in the manner contemplated hereby and to perform and observe all the terms and conditions of the Loan Documents on its part to be performed and observed and to carry out and consummate all other transactions contemplated hereby. The Issuer may lawfully borrow funds hereunder in order to provide funds to advance refund the Refunded Bonds and to pay costs of issuance of the Loan and the Note.

Section 2.02 Authorization of Loan. The Issuer had, has, or will have on the date of the Note and at all relevant times, full legal right, power and authority to execute and deliver the Loan Documents, to issue the Note, and to carry out and consummate all other transactions contemplated hereby, and the Issuer has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The Issuer has duly authorized the borrowing of the Loan Amount provided for in this Agreement, the execution and delivery of this Agreement, and the issuance and delivery of the Note to the Lender, and to that end the Issuer warrants that it will, subject to the terms hereof and of the Note, take all action and do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Note. The Note has been duly authorized, executed, issued and delivered to the Lender and constitutes the legal, valid and binding obligation of the Issuer enforceable in accordance with the terms thereof and the terms hereof, and is entitled to the benefits and security of this Agreement, subject to the provisions of the bankruptcy laws of the United States of America and to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights,

heretofore or hereinafter enacted, to the extent constitutionally applicable, and provided that its enforcement may also be subject to equitable principles that may affect remedies or other equitable relief, or to the exercise of judicial discretion in appropriate cases. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Note or the execution and delivery of or the performance by the Issuer of its obligations under this Agreement and the Note have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect. NOTWITHSTANDING THE FOREGOING, HOWEVER, OR ANYTHING ELSE HEREIN OR IN THE NOTE TO THE CONTRARY, NEITHER THIS AGREEMENT NOR THE NOTE SHALL CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN AND IN THE RESOLUTION. No holder or owner of the Note shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of debt service with respect thereto, or to maintain or continue any activities of the Issuer which generate user service charges, regulatory fees or other non-ad valorem revenues, nor shall any holder or owner of the Note be entitled to payment of such principal and interest from any other funds of the Issuer other than the Pledged Funds, all in the manner and to the extent herein and in the Resolution provided.

Section 2.03 Resolution. The Resolution has been duly adopted by the Issuer, is in full force and effect and has not been amended, altered, repealed or revoked in any way.

Section 2.04 No Violation of Law or Contract. The Issuer is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound, the breach of which could result in a material and adverse impact on the financial condition of the Issuer or the ability of the Issuer to perform its obligations hereunder and under the Note. The making and performing by the Issuer of this Agreement and the Note will not violate any applicable provision of law, and will not result in a material breach of any of the terms of any agreement or instrument to which the Issuer is a party or by which the Issuer is bound, the breach of which could result in a material and adverse impact on the financial condition of the Issuer or the ability of the Issuer to perform its obligations hereunder and under the Note.

Section 2.05 Pending or Threatened Litigation. Except as has been disclosed to the Lender in writing, there are no actions or proceedings pending against the Issuer or affecting the Issuer or, to the knowledge of the Issuer, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the financial condition of the Issuer, or which questions the validity of this Agreement or the Note or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby.

Section 2.06 Financial Information. The financial information regarding the Issuer furnished to the Lender by the Issuer in connection with the Loan is complete and accurate, and

there has been no material and adverse change in the financial condition of the Issuer from that presented in such information.

### ARTICLE III

#### COVENANTS OF THE ISSUER

Section 3.01 Affirmative and Negative Covenants. For so long as any of the principal amount of or interest or any redemption or prepayment premium on the Note is outstanding or any duty or obligation of the Issuer hereunder or under the Note remains unpaid or unperformed, the Issuer covenants to the Lender as follows:

(a) Payment. The Issuer shall pay the principal of and the interest or any redemption or prepayment premium on the Note and any other amounts due and payable under this Agreement at the time and place and in the manner provided herein and in the Note.

(b) Use of Proceeds. Proceeds from the Note will be used only to (i) deposit funds under the Escrow Deposit Agreement to refund the Refunded Bonds, and (ii) to pay closing costs of the Loan and costs of issuance of the Note.

(c) Maintenance of Existence. The Issuer will take all reasonable legal action within its control in order to maintain its existence until all amounts due and owing from the Issuer to the Lender under this Agreement and the Note have been paid in full.

(d) Records. The Issuer agrees that any and all records of the Issuer with respect to the Loan shall be open to inspection by the Lender or its representatives at all reasonable times and after receipt by the Issuer of reasonable notice from the Lender at the offices the Issuer.

(e) Financial Statements and Budget. The Issuer will cause an audit to be completed of its books and accounts and shall make available electronically to the Lender audited year-end financial statements of the Issuer, including a balance sheet as of the end of such Fiscal Year and related statements of revenues, expenses and changes in net assets, certified by an independent certified public accountant to the effect that such audit has been conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly in all material respects the financial position of the Issuer and the results of its operations and cash flows for the periods covered by the audit report, all in conformity with generally accepted accounting principles applied on a consistent basis. The Issuer shall make available electronically to the Lender the audited financial statements for each Fiscal Year ending on or after September 30, 2013, within 210 days after the end thereof and shall make available electronically to the Lender an annual budget within 60 days after the same shall have been approved by the City Commission of the Issuer. The Issuer shall also provide to the Lender, together with the annual audited financial statements referred to in this paragraph, a certificate of an officer of the Issuer to the effect that the Issuer is not in breach of any of the covenants set forth in this Article III.

(f) Insurance. The Issuer shall maintain such liability, casualty and other insurance as, or shall self-insure in a manner as, is reasonable and prudent for similarly situated governmental entities of the State of Florida.

(g) Compliance with Laws. The Issuer shall comply with all applicable federal, state and local laws and regulatory requirements, the violation of which could reasonably be expected to have a material and adverse effect upon the financial condition of the Issuer or upon the ability of the Issuer to perform its obligation hereunder or under the Note.

(i) Payment of Document Taxes. In the event the Note or this Agreement should be subject to the excise tax on documents of the State, the Issuer shall promptly upon the Lender's written demand for same pay such taxes or reimburse the Lender for any such taxes paid by it.

(j) The Issuer will not enter into an anti-dilution covenant in any documentation related to the incurrence of Debt by the Issuer payable by a covenant by the Issuer to budget and appropriate Non-Ad Valorem Revenues that requires a larger amount of coverage of average annual debt service by Non-Ad Valorem Revenues than that provided by Section 3.02 below unless such requirement will also apply with respect to the Note for so long as such requirement remains in effect.

Section 3.02 Anti-Dilution. For so long as any of the principal amount of or interest on the Note is outstanding or any duty or obligation of the Issuer hereunder or under the Note remains unpaid or unperformed, the Issuer covenants to the Lender as follows that except with respect to Non-Self Supporting Revenue Debt issued to refund existing Non-Self Supporting Revenue Debt where the aggregate debt service of the refunding Non-Self Supporting Revenue Debt will not be greater than that for the Non-Self Supporting Revenue Debt being refunded, the Issuer may incur additional Non-Self-Supporting Revenue Debt only if,

(i) after the issuance thereof, the maximum annual debt service in any Note Year (net of any subsidies or reimbursements related to interest) resulting from the total outstanding Non-Self-Supporting Revenue Debt of the Issuer, including such additional Non-Self-Supporting Revenue Debt, does not exceed fifty percent (50%) of total Non-Ad Valorem Revenues received in the preceding Fiscal Year; and

(ii) the Non-Ad Valorem Revenues of the Issuer for the preceding Fiscal Year were at least 2.00 times average annual debt service (net of any subsidies or reimbursements related to interest) in all future Note Years on all outstanding Non-Self-Supporting Revenue Debt and the Non-Self-Supporting Revenue Debt proposed to be issued.

For purposes of calculating the foregoing, if any Non-Self-Supporting Revenue Debt bears a rate of interest that is not fixed for the entire term of the Non-Self-Supporting Revenue Debt (excluding any provisions that adjust the interest rate upon a change in tax law or in the tax treatment of interest on the debt or upon a default), then the interest rate on such Non-Self-Supporting Revenue Debt shall be assumed to be the highest of (x) the average rate of actual interest borne by such Non-Self-Supporting Revenue Debt during the most recent complete month prior to the date of calculation, (y) for tax-exempt Non-Self-Supporting Revenue Debt, The Bond Buyer Revenue Bond Index last published in the month preceding the date of calculation plus one percent, or (z) for taxable Non-Self-Supporting Revenue Debt, the yield on a U.S. Treasury obligation with a maturity closest to but not before the maturity date of such Non-Self-Supporting Revenue Debt, as reported in Statistical Release H.15 of the Federal Reserve on the last day of the month preceding the date of issuance of such proposed Non-Self-Supporting

Revenue Debt, plus three percent, provided that if the Issuer shall have entered into an interest rate swap or interest rate cap or shall have taken any other action which has the effect of fixing or capping the interest rate on such Non-Self-Supporting Revenue Debt for the entire term thereof, then such fixed or capped rate shall be used as the applicable rate for the period of such swap or cap, and provided further that if The Bond Buyer Revenue Bond Index or Statistical Release H.15 of the Federal Reserve is no longer available or no longer contains the necessary data, such other comparable source of comparable data as selected by the Lender shall be utilized in the foregoing calculations. For the purpose of calculating the foregoing, "Balloon Indebtedness" (as defined in the immediately succeeding sentence) shall be assumed to amortize over 20 years in substantially equal annual payments at its fixed interest rate and, if the interest rate is not fixed, at the rate calculated pursuant to the immediately preceding sentence. "Balloon Indebtedness" is any Non-Self-Supporting Revenue Debt, twenty-five percent (25%) or more of the principal amount of which comes due in any single Fiscal Year.

Section 3.03 Registration and Exchange of Note. The Note shall initially be owned by the Lender. The ownership of the Note may only be transferred, and the Issuer will transfer the ownership of the Note, upon written request of the Lender to the Issuer specifying the name, address and taxpayer identification number of the transferee, and the Issuer will keep and maintain at all times a record setting forth the identification of the owner of the Note. For every such exchange or transfer of the Note, the Issuer may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Note may only be sold, assigned or otherwise transferred to an "accredited investor," as defined in Rule 501(A)(1), (2) or (3) under Regulation D of the Securities Act of 1933, as amended, or a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended. The Person in whose name the Note shall be registered shall be deemed and regarded the absolute owner thereof for all purposes, and payment of principal and interest on such Note shall be made only to or upon the written order of such Person. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Section 3.04 Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Note, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Lender furnishing the Issuer proof of ownership thereof, an affidavit of lost or stolen instrument and indemnity reasonably satisfactory to the Issuer and paying such expenses as the Issuer may reasonably incur in connection therewith.

Section 3.05 Payment of Principal and Interest; Limited Obligation. The Issuer promises that it will promptly pay the principal of and interest on and any prepayment or redemption premium or fee on the Note, at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and of the Note, provided that the Issuer may be compelled to pay the principal of and interest on and any prepayment premium or fee with respect to the Note solely from the Pledged Funds, and nothing in the Note, this Agreement or the Resolution shall be construed as pledging any other funds or assets of the Issuer to such payment or as authorizing such payment to be made from any other source. The Issuer is not and shall not be liable for the payment of the principal of and interest on the Note and any prepayment premium or fee with respect to or for the performance of any pledge, obligation or agreement for payment undertaken by the Issuer hereunder, under the Note or under the

Resolution from any property other than the Pledged Funds. The Lender shall not have any right to resort to legal or equitable action to require or compel the Issuer to make any payment required by the Note or this Agreement from any source other than the Pledged Funds and only to the extent and in the manner provided herein.

Section 3.06 Covenant to Budget and Appropriate. The Issuer hereby covenants and agrees, to the extent permitted by and in accordance with applicable law and budgetary processes, to prepare, approve and appropriate in its Annual Budget for each Fiscal Year, by amendment if necessary, and to deposit to the credit of the Debt Service Account in a timely manner as needed to pay debt service on the Note, Non-Ad Valorem Revenues of the Issuer in an amount which is equal to the debt service with respect to the Note for the applicable Fiscal Year. Such covenant and agreement on the part of the Issuer to budget and appropriate sufficient amounts of Non-Ad Valorem Revenues shall be cumulative, and shall continue until such Non-Ad Valorem Revenues in amounts sufficient to make all required payments hereunder and under the Note as and when due, including any delinquent payments, shall have been budgeted, appropriated and actually paid into the Debt Service Account; provided, however, that such covenant shall not constitute a lien, either legal or equitable, on any of the Issuer's Non-Ad Valorem Revenues or other revenues, nor shall it preclude the Issuer from pledging in the future any of its Non-Ad Valorem Revenues or other revenues to other obligations, nor shall it give the holder or owner of the Note a prior claim on the Non-Ad Valorem Revenues. Anything herein to the contrary notwithstanding, all obligations of the Issuer hereunder shall be secured only by the Non-Ad Valorem Revenues actually budgeted and appropriated and deposited into the Debt Service Account, as provided for herein. The Issuer is prohibited by law from expending moneys not appropriated or in excess of its current budgeted revenues and surpluses. The obligation of the Issuer to budget, appropriate and make payments hereunder from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after satisfying funding requirements for obligations having an express lien on or pledge of such revenues and after satisfying funding requirements for essential governmental services of the Issuer or which are legally mandated by applicable law. Notwithstanding the foregoing or anything herein to the contrary, the Issuer has not covenanted to maintain any service or program now provided or maintained by the Issuer which generates Non-Ad Valorem Revenues.

Section 3.07 Pledge. The payment of the principal of, premium, if any, and interest on the Note and all other amounts due and payable under this Agreement and the Note shall be secured by an irrevocable lien on the Pledged Funds, all in the manner and to the extent provided herein and in the Resolution. The Issuer does hereby pledge such Pledged Funds to the principal of, premium, if any, and interest on the Note and for all other payments provided for herein.

Section 3.08 Debt Service Account. The Issuer shall apply all moneys on deposit in the Debt Service Account to the timely payment of the principal of, premium, if any, and interest on the Note and other amounts due and payable under this Agreement and the Note. The Issuer shall deposit the proceeds of the Note in an amount sufficient with other available funds of the Issuer and investment earnings thereon to defease the Refunded Bonds with the Escrow Agent under the Escrow Deposit Agreement and the remainder shall be applied to pay the costs of the Loan and costs of issuance of the Note. Funds held under the Escrow Deposit Agreement shall be invested as therein provided and funds in the Debt Service Account may be invested in investments permitted by law and meeting the requirements of the Issuer's written investment policy and that mature not later than the dates that such funds will be needed for the purposes of

such accounts. Money in the Debt Service Account, until applied in accordance with the provisions hereof, shall be held in trust for and be subject to a lien and charge in favor of the registered owner of the Note.

Section 3.09 Officers and Employees of the Issuer Exempt from Personal Liability. No personal recourse under or upon any obligation, covenant or agreement of this Agreement or the Note or for any claim based hereon or thereon or otherwise in respect thereof, shall be had against any officer, agent or employee, as such, of the Issuer, past, present or future, it being expressly understood (a) that the obligation of the Issuer under this Agreement and under the Note is solely a corporate one, limited as provided herein, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the officers, agents, or employees, as such, of the Issuer, or any of them, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such officer, agent, or employee, as such, of the Issuer under or by reason of the obligations, covenants or agreements contained in this Agreement and under the Note, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Agreement and the issuance of the Note on the part of the Issuer.

Section 3.10 Business Days. In any case where the due date of interest on or principal of the Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Lender.

Section 3.11 Tax Representations, Warranties and Covenants of the Issuer. It is the intention of the Issuer that the interest on the Note be and remain excluded from gross income of the holders and owners of the Note for federal income tax purposes. The Issuer hereby covenants and represents that it has taken and caused to be taken and shall make and take and cause to be made and taken all actions that may be required of it for the interest on the Note to be and remain excluded from the gross income of the registered owner and holder thereof for federal income tax purposes to the extent set forth in the Code, and that to the best of its knowledge it has not taken or permitted to be taken on its behalf, and covenants that to the best of its ability and within its control, it shall not make or take, or permit to be made or taken on its behalf, any action which, if made or taken, would adversely affect such exclusion under the provisions of the Code.

The Issuer acknowledges that the continued exclusion of interest on the Note from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Code. The Issuer hereby acknowledges responsibility to take all reasonable actions necessary to comply with these requirements. The Issuer hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Note or other funds of the Issuer to be intentionally used, directly or indirectly, to acquire or to replace funds which were used directly or indirectly to acquire any higher yielding investments (as defined in Section 148 of the Code), the acquisition of which would cause the Note to be an arbitrage bond for purposes of Sections 103(b)(2) and 148 of the Code. The Issuer further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Section 103(b)(2) and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are met.

Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

- (1) to make or cause to be made all necessary determinations and calculations of the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Note, plus any income attributable to such excess, but not including any amount exempted under Section 148(f) of the Code (the "Rebate Amount");
- (2) to pay the Rebate Amount to the United States of America from legally available funds of the Issuer at the times and to the extent required pursuant to Section 148(f) of the Code;
- (3) to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount for at least six years after the final maturity of the Note or such other period as shall be necessary to comply with the Code;
- (4) to refrain from taking any action that would cause the Note to be classified as "private activity bond" under Section 141(a) of the Code; and
- (5) to refrain from taking any action that would cause the Note to become an arbitrage bond under Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations on it to comply with the requirements of Section 103 and Part IV of Subchapter B of Subpart A of Chapter 1 of the Code so long as such requirements are applicable.

The terms "debt service," "gross proceeds," "net proceeds," "proceeds," and "yield" have the meanings assigned to them for purposes of Section 148 of the Code.

Section 3.12 Separate Accounts. The moneys required to be accounted for the foregoing funds established herein may be deposited in a single bank account, and funds allocable to any fund or account established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

The designation and establishment of any funds or accounts and by this Agreement 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 certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

## ARTICLE IV

### CONDITIONS OF LENDING

The obligations of the Lender to lend hereunder are subject to the following conditions precedent:

Section 4.01 Representations and Warranties. The representations and warranties of the Issuer set forth in this Agreement and the Note are true and correct on and as of the date hereof.

Section 4.02 No Default. On the date hereof, the Issuer shall be in compliance with all the terms and provisions set forth in this Agreement and the Note on its part to be observed or performed, and no Event of Default or any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.

Section 4.03 Supporting Documents. On or prior to the date hereof, the Lender shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Lender (such satisfaction to be evidenced by the purchase of the Note by the Lender):

(a) The opinion of the attorney for the Issuer and/or bond counsel to the Issuer, regarding the due authorization, execution, delivery, validity and enforceability of the Resolution authorizing this Agreement, the Note and the Escrow Deposit Agreement, and such other items as the Lender shall reasonably request;

(b) The opinion of Bond Counsel to the Issuer to the effect that (i) the interest on the Note is excluded from gross income for federal income tax purposes and the Note is not an item of tax preference under Section 57 of the Code, and (ii) such other items as the Lender shall reasonably request; and

(c) Such additional supporting documents as the Lender may reasonably request.

## ARTICLE V

### FUNDING THE LOAN

Section 5.01 The Loan. The Lender hereby agrees to lend to the Issuer the Loan Amount to provide funds for the purposes described herein upon the terms and conditions set forth in this Agreement. The Issuer agrees to repay the principal amount borrowed plus interest thereon upon the terms and conditions set forth in this Agreement and the Note.

Section 5.02 Description and Payment Terms of the Note. To evidence the obligation of the Issuer to repay the Loan, the Issuer shall issue and deliver to the Lender the Note in the form attached hereto as Exhibit "A." Prepayment of principal may be made only as provided in the Note and the rate of interest on the Note, including any adjustments thereto, shall be as provided in the Note.

## ARTICLE VI

### EVENTS OF DEFAULT

Section 6.01 General. An "Event of Default" shall be deemed to have occurred under this Agreement if:

(a) The Issuer shall fail to make any payment of the principal of, premium, if any, or interest on the Note when the same shall become due and payable; or

(b) The Issuer shall default in the performance of or compliance with any term or covenant contained in this Agreement or the Note, other than a term or covenant a default in the performance of which or noncompliance with which is elsewhere specifically dealt with in this Section 6.01, which default or non-compliance shall continue and not be cured within thirty (30) days after written notice thereof to the Issuer by the Lender; or

(c) Any representation or warranty made in writing by or on behalf of the Issuer in this Agreement or the Note shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or

(d) The Issuer admits in writing its inability to pay its debts generally as they become due or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or

(e) The Issuer is adjudged insolvent by a court of competent jurisdiction, or it is adjudged a bankrupt on a petition in bankruptcy filed by the Issuer, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver or trustee of the Issuer or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof; or

(f) The Issuer shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State.

Notwithstanding the provisions of clause (b) above or anything to the contrary in Section 6.02 below, a default of any of the covenants contained in Section 3.11 hereof shall not be an "Event of Default" hereunder and the sole remedy of the Lender shall be an adjustment of the interest rate on the Note to the Taxable Rate (as defined in the Note) and the payment of the Additional Amount (as defined in the Note) to the extent and in the manner described in the Note.

Section 6.02 Effect of Event of Default. The Lender may either at law or in equity, by suit, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted or contained in the Note and this Agreement, and may enforce and compel the performance of all duties required by the Note, this Agreement or by any applicable statute to be performed by the Issuer for performance hereunder or under the Note. All payments made on the Note, after an Event of Default, shall be first applied to accrued interest then to any reasonable costs or expenses, including reasonable legal

fees and expenses, that the Lender may have incurred in protecting or exercising its rights under the Loan Documents and the balance thereof shall apply to the principal sum due.

## ARTICLE VII

### MISCELLANEOUS

Section 7.01 No Waiver; Cumulative Remedies. No failure or delay on the part of the Lender in exercising any right, power, remedy hereunder or under the Note shall operate as a waiver of the Lender's rights, powers and remedies hereunder, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 7.02 Amendments, Changes or Modifications to the Agreement. This Agreement shall not be amended, changed or modified except in writing signed by the Lender and the Issuer. The Issuer agrees to pay all of the Lender's costs and reasonable attorneys' fees incurred in modifying and/or amending this Agreement at the Issuer's request or behest.

Section 7.03 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 7.04 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections hereof, and this Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

Section 7.05 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the Issuer in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Note is outstanding.

Section 7.06 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to the Notice Address.

Section 7.07 Applicable Law; Venue. This Agreement shall be construed pursuant to and governed by the substantive laws of the State. The Issuer and the Lender waive any

objection either might otherwise have to venue in any judicial proceeding brought in connection herewith lying in Alachua County, Florida.

Section 7.08 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The Issuer shall have no rights to assign any of its rights or obligations hereunder without the prior written consent of the Lender.

Section 7.09 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 7.10 Attorneys Fees. To the extent legally permissible, the Issuer and the Lender agree that in any suit, action or proceeding brought in connection with this Agreement or the Note (including any appeal(s)), the prevailing party shall be entitled to recover costs and reasonable attorneys' fees from the other party.

Section 7.11 Entire Agreement. Except as otherwise expressly provided, this Agreement and the Note embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 7.12 Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of carrying out the transactions contemplated by this Agreement.

Section 7.13 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE NOTE AND ANY DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

CITY OF GAINESVILLE, FLORIDA

By: MOSB  
Finance Director

ATTEST:

By: [Signature]  
Clerk of Commission

APPROVED AS TO FORM AND LEGALITY:

By: Sticelle M. Halley  
City Attorney

TD BANK, N.A.

By: [Signature]  
Vice President

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EXHIBIT "A"

FORM OF NOTE

**THIS NOTE IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE LOAN AGREEMENT REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, OR A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933.**

**REFUNDING REVENUE NOTE, SERIES 2014**

The CITY OF GAINESVILLE, FLORIDA (the "Issuer"), a municipal corporation duly created and existing under the laws of the State of Florida, for value received, promises to pay, but solely from the sources hereinafter provided, to the order of TD BANK, N.A. or registered assigns (together with any other registered owner of this Note, hereinafter, the "Lender"), the principal sum of Fourteen Million Seven Hundred Fifteen Dollars (\$14,715,000.00) or such lesser amount as shall be outstanding hereunder, together with interest on the principal balance outstanding at the Interest Rate (defined below), calculated based upon a year of 360 days consisting of twelve 30-day months, such amounts to be payable as provided herein. This Refunding Revenue Note, Series 2014 (this "Note") is issued pursuant to the Resolution of the Issuer adopted on February 6, 2014 (the "Resolution") and in conjunction with a Loan Agreement, dated of even date herewith, between the Issuer and the Lender (the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or referenced, in the Loan Agreement.

Principal of and interest on this Note are payable in immediately available funds constituting lawful money of the United States of America at the Principal Office or such place as the Lender may designate in writing to the Issuer.

The Issuer shall pay the Lender interest on the outstanding principal balance of this Note in arrears, on April 1, 2014, and on the first day of each October and April thereafter, to and including the Final Maturity Date (hereinafter defined). The principal amount of this Note shall be payable in annual installments in the amounts set forth on Schedule A hereto, payable on October 1 of each year, commencing October 1, 2014, with the final installment payable October 1, 2025 (the "Final Maturity Date"). If any date for the payment of principal or interest is not a Business Day, such payment shall be due on the next succeeding Business Day in the manner provided in the Loan Agreement.

All payments by the Issuer pursuant to this Note shall apply first to accrued interest, then to other charges due the Lender, and the balance thereof shall apply to the principal sum due; provided, however, in an Event of Default, payment shall be applied in accordance with Section 6.02 of the Loan Agreement. If any payment of principal or interest due hereunder is not paid

within fifteen (15) days after the date due hereunder, the Issuer shall pay the Lender upon demand a late payment fee equal to six percent (6%) of the amount not paid when due.

The "Interest Rate," as used herein, shall mean two and four-tenths percent (2.4%) per annum unless adjusted as provided herein.

In the event of a Determination of Taxability, the Interest Rate shall be adjusted to cause the after-tax yield on this Note to the Lender after such Determination of Taxability to equal what the yield would have been to the Lender in the absence of such Determination of Taxability (the "Taxable Rate"), effective retroactively to the date on which such Determination of Taxability was made. In addition, immediately upon a Determination of Taxability, the Issuer agrees to pay to the Lender the Additional Amount. "Additional Amount" means (i) the difference between (a) interest on this Note for the period commencing on the date on which the interest on this Note ceases to be excludable from gross income for federal income tax purposes and ending on the earlier of the date this Note ceased to be outstanding or such adjustment is no longer applicable to this Note (the "Taxable Period") at a rate per annum equal to the Taxable Rate, and (b) the aggregate amount of interest paid on this Note for the Taxable Period under the provisions of this Note without considering the Determination of Taxability, plus (ii) any penalties and interest paid or payable by the Lender to the Internal Revenue Service by reason of such Determination of Taxability. As used herein, "Determination of Taxability" means a final decree or judgment of any federal court or a final action of the Internal Revenue Service or of the United States Treasury Department determining that any interest payable on this Note is includable in the gross income of the Lender for federal income tax purposes. No such decree or action shall be considered final for the purposes of this paragraph unless the Issuer has been given written notice thereof and, if it is so desired by the Issuer and is legally permissible, the Issuer has been afforded the opportunity to contest the same, at its own expense, either directly or in the name of the Lender and until the conclusion of any appellate review, if sought.

Upon the occurrence and during the continuance of an Event of Default under the Loan Agreement, the Interest Rate shall be equal to the Interest Rate that was applicable prior to such Event of Default plus four percent (4%) per annum (the "Default Rate").

Notwithstanding the foregoing, in no event shall the Interest Rate exceed the maximum rate permitted by applicable law.

This Note shall be prepayable at any time, in whole or in part, upon three (3) days' prior written notice from the Issuer to the Lender, at the amount of principal of this Note being prepaid, plus interest accrued on the principal being prepaid to the date of prepayment plus, to the extent applicable, a Yield Maintenance Fee. Prepayments in part shall be applied against remaining installments of principal due hereunder in such order as the Issuer shall select.

The Yield Maintenance Fee shall be calculated as follows:

The current cost of funds, specifically the "bond equivalent yield" for United States Treasury securities (bills on a discounted basis shall be converted to a "bond equivalent yield") with a maturity date closest to the "Remaining Term" (as defined below), shall be subtracted from the Interest Rate or Default Rate, if applicable. If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then

the resulting percentage shall be multiplied by the scheduled outstanding principal balance for each remaining monthly period of the "Remaining Term." Each resulting amount shall be divided by 360 and multiplied by the number of days in the monthly period. Said amounts shall be reduced to present values calculated by using the above-referenced current costs of funds divided by 12. The resulting sum of such present values shall be the Yield Maintenance Fee.

"Remaining Term" as used herein shall mean the remaining term of this Note from the date of prepayment.

The Issuer to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is payable solely from the Pledged Funds to the extent provided in the Loan Agreement and subject to the pledge of the Pledged Funds as more specifically provided in the Resolution and the Loan Agreement. Notwithstanding any other provision of this Note, the Issuer is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as provided in the Loan Agreement and the Resolution.

NOTWITHSTANDING ANYTHING HEREIN OR IN THE LOAN AGREEMENT OR THE RESOLUTION TO THE CONTRARY, THIS NOTE AND THE INTEREST HEREON DOES NOT AND SHALL NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER BUT SHALL BE PAYABLE SOLELY FROM THE MONEYS AND SOURCES DESIGNATED THEREFOR PURSUANT TO THE LOAN AGREEMENT, THIS NOTE AND THE RESOLUTION. NEITHER THE FAITH AND CREDIT NOR ANY AD VALOREM TAXING POWER OF THE ISSUER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENTAL HERETO.

All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note.

This Note may be exchanged or transferred but only as provided in the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in connection with the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Note is February 14, 2014.

CITY OF GAINESVILLE, FLORIDA

(SEAL)

By: \_\_\_\_\_  
Finance Director

ATTESTED AND COUNTERSIGNED:

By: \_\_\_\_\_  
Clerk of the Commission

APPROVED AS TO FORM AND LEGALITY:

By: \_\_\_\_\_  
City Attorney

## SCHEDULE A

<u>Date</u> <u>(October 1)</u>	<u>Principal Amount</u>
2014	\$ 125,000
2015	165,000
2016	1,295,000
2017	1,320,000
2018	1,355,000
2019	1,390,000
2020	1,420,000
2021	1,460,000
2022	1,490,000
2023	1,530,000
2024	1,560,000
2025	<u>1,605,000</u>
TOTAL	\$14,715,000

**COPY**

3.

**THIS NOTE IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE LOAN AGREEMENT REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, OR A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933.**

**REFUNDING REVENUE NOTE, SERIES 2014**

The CITY OF GAINESVILLE, FLORIDA (the "Issuer"); a municipal corporation duly created and existing under the laws of the State of Florida, for value received, promises to pay, but solely from the sources hereinafter provided, to the order of TD BANK, N.A. or registered assigns (together with any other registered owner of this Note, hereinafter, the "Lender"), the principal sum of Fourteen Million Seven Hundred Fifteen Dollars (\$14,715,000.00) or such lesser amount as shall be outstanding hereunder, together with interest on the principal balance outstanding at the Interest Rate (defined below), calculated based upon a year of 360 days consisting of twelve 30-day months, such amounts to be payable as provided herein. This Refunding Revenue Note, Series 2014 (this "Note") is issued pursuant to the Resolution of the Issuer adopted on February 6, 2014 (the "Resolution") and in conjunction with a Loan Agreement, dated of even date herewith, between the Issuer and the Lender (the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or referenced, in the Loan Agreement.

Principal of and interest on this Note are payable in immediately available funds constituting lawful money of the United States of America at the Principal Office or such place as the Lender may designate in writing to the Issuer.

The Issuer shall pay the Lender interest on the outstanding principal balance of this Note in arrears, on April 1, 2014, and on the first day of each October and April thereafter, to and including the Final Maturity Date (hereinafter defined). The principal amount of this Note shall be payable in annual installments in the amounts set forth on Schedule A hereto, payable on October 1 of each year, commencing October 1, 2014, with the final installment payable October 1, 2025 (the "Final Maturity Date"). If any date for the payment of principal or interest is not a Business Day, such payment shall be due on the next succeeding Business Day in the manner provided in the Loan Agreement.

All payments by the Issuer pursuant to this Note shall apply first to accrued interest, then to other charges due the Lender, and the balance thereof shall apply to the principal sum due; provided, however, in an Event of Default, payment shall be applied in accordance with Section 6.02 of the Loan Agreement. If any payment of principal or interest due hereunder is not paid within fifteen (15) days after the date due hereunder, the Issuer shall pay the Lender upon demand a late payment fee equal to six percent (6%) of the amount not paid when due.

The "Interest Rate," as used herein, shall mean two and four-tenths percent (2.4%) per annum unless adjusted as provided herein.

# COPY

In the event of a Determination of Taxability, the Interest Rate shall be adjusted to cause the after-tax yield on this Note to the Lender after such Determination of Taxability to equal what the yield would have been to the Lender in the absence of such Determination of Taxability (the "Taxable Rate"), effective retroactively to the date on which such Determination of Taxability was made. In addition, immediately upon a Determination of Taxability, the Issuer agrees to pay to the Lender the Additional Amount. "Additional Amount" means (i) the difference between (a) interest on this Note for the period commencing on the date on which the interest on this Note ceases to be excludable from gross income for federal income tax purposes and ending on the earlier of the date this Note ceased to be outstanding or such adjustment is no longer applicable to this Note (the "Taxable Period") at a rate per annum equal to the Taxable Rate, and (b) the aggregate amount of interest paid on this Note for the Taxable Period under the provisions of this Note without considering the Determination of Taxability, plus (ii) any penalties and interest paid or payable by the Lender to the Internal Revenue Service by reason of such Determination of Taxability. As used herein, "Determination of Taxability" means a final decree or judgment of any federal court or a final action of the Internal Revenue Service or of the United States Treasury Department determining that any interest payable on this Note is includable in the gross income of the Lender for federal income tax purposes. No such decree or action shall be considered final for the purposes of this paragraph unless the Issuer has been given written notice thereof and, if it is so desired by the Issuer and is legally permissible, the Issuer has been afforded the opportunity to contest the same, at its own expense, either directly or in the name of the Lender and until the conclusion of any appellate review, if sought.

Upon the occurrence and during the continuance of an Event of Default under the Loan Agreement, the Interest Rate shall be equal to the Interest Rate that was applicable prior to such Event of Default plus four percent (4%) per annum (the "Default Rate").

Notwithstanding the foregoing, in no event shall the Interest Rate exceed the maximum rate permitted by applicable law.

This Note shall be prepayable at any time, in whole or in part, upon three (3) days' prior written notice from the Issuer to the Lender, at the amount of principal of this Note being prepaid, plus interest accrued on the principal being prepaid to the date of prepayment plus, to the extent applicable, a Yield Maintenance Fee. Prepayments in part shall be applied against remaining installments of principal due hereunder in such order as the Issuer shall select.

The Yield Maintenance Fee shall be calculated as follows:

The current cost of funds, specifically the "bond equivalent yield" for United States Treasury securities (bills on a discounted basis shall be converted to a "bond equivalent yield") with a maturity date closest to the "Remaining Term" (as defined below), shall be subtracted from the Interest Rate or Default Rate, if applicable. If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the scheduled outstanding principal balance for each remaining monthly period of the "Remaining Term." Each resulting amount shall be divided by 360 and multiplied by the number of days in the monthly period. Said amounts shall be reduced to present values calculated by using the above-referenced current costs of funds divided by 12. The resulting sum of such present values shall be the Yield Maintenance Fee.

# COPY

"Remaining Term" as used herein shall mean the remaining term of this Note from the date of prepayment.

The Issuer to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is payable solely from the Pledged Funds to the extent provided in the Loan Agreement and subject to the pledge of the Pledged Funds as more specifically provided in the Resolution and the Loan Agreement. Notwithstanding any other provision of this Note, the Issuer is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as provided in the Loan Agreement and the Resolution.

NOTWITHSTANDING ANYTHING HEREIN OR IN THE LOAN AGREEMENT OR THE RESOLUTION TO THE CONTRARY, THIS NOTE AND THE INTEREST HEREON DOES NOT AND SHALL NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER BUT SHALL BE PAYABLE SOLELY FROM THE MONEYS AND SOURCES DESIGNATED THEREFOR PURSUANT TO THE LOAN AGREEMENT, THIS NOTE AND THE RESOLUTION. NEITHER THE FAITH AND CREDIT NOR ANY AD VALOREM TAXING POWER OF THE ISSUER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENTAL HERETO.

All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note.

This Note may be exchanged or transferred but only as provided in the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in connection with the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

*[Remainder of page intentionally left blank]*

**COPY**

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Note is February 14, 2014.

CITY OF GAINESVILLE, FLORIDA

(SEAL)

By: M. J. S. B. [Signature]  
Finance Director

ATTESTED AND COUNTERSIGNED:

By: [Signature]  
Clerk of the Commission

APPROVED AS TO FORM AND LEGALITY:

By: Nicole M. Shalley [Signature]  
City Attorney

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# COPY

## SCHEDULE A

<u>Date</u> <u>(October 1)</u>	<u>Principal Amount</u>
2014	\$ 125,000
2015	165,000
2016	1,295,000
2017	1,320,000
2018	1,355,000
2019	1,390,000
2020	1,420,000
2021	1,460,000
2022	1,490,000
2023	1,530,000
2024	1,560,000
2025	<u>1,605,000</u>
TOTAL	\$14,715,000

## ESCROW DEPOSIT AGREEMENT

This is an Escrow Deposit Agreement dated as of February 14, 2014, by and between **THE CITY OF GAINESVILLE, FLORIDA**, a municipal corporation of the State of Florida (the "Issuer"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association having trust powers, organized and existing under the laws of the United States of America and having its designated corporate trust office in which its duties hereunder are to be performed in Jacksonville, Florida, as the escrow agent (the "Escrow Agent"):

### WITNESSETH:

**WHEREAS**, the Issuer has previously issued its Capital Improvement Revenue Bonds, Series 2005 (the "2005 Bonds"); and

**WHEREAS**, the Issuer wishes to make provision for the payment of all of the 2005 Bonds maturing in the years 2016 through 2025, inclusive, in an aggregate principal amount of \$13,710,000 (the "Refunded Bonds") by irrevocably depositing in escrow moneys in an amount which, together with investment earnings thereon, will be sufficient to pay the principal of and interest and redemption premiums on the Refunded Bonds as the same become due or are called for redemption as herein provided; and

**WHEREAS**, in order to deposit such amount of money in trust, the Issuer has authorized and issued its Refunding Revenue Note, Series 2014 in the aggregate principal amount of \$14,715,000 (the "Refunding Note"), and has made available certain proceeds of such Refunding Note and other moneys hereinafter described; and

**WHEREAS**, a portion of the proceeds derived from the sale of the Refunding Note will be applied, directly or indirectly as herein required, to the purchase of certain noncallable direct obligations of the United States of America ("Government Obligations"), the principal of which, together with investment earnings thereon, will be sufficient to pay when due the principal of and interest and redemption premiums on the Refunded Bonds; and

**WHEREAS**, in order to provide for the proper and timely application of the moneys deposited in said escrow to the payment of the Refunded Bonds, it is necessary to enter into this Escrow Deposit Agreement with the Escrow Agent on behalf of the holders from time to time of the Refunded Bonds;

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of the principal of, interest on and redemption premium with respect to all of the Refunded Bonds according to their tenor and effect, the Issuer does hereby deliver to and give, grant,

mortgage, assign and pledge to the Escrow Agent, and to its successors and its assigns forever, all and singular the property hereinafter described:

**I.**

All right, title and interest of the Issuer in and to \$14,666,937.85 derived from the proceeds of the Refunding Note and \$201,056.25 derived from the Sinking Fund Account in the Debt Service Fund created under the Bond Resolution for the Refunded Bonds (as hereinafter defined).

**II.**

All right, title and interest of the Issuer in and to the Government Obligations purchased from the moneys described in Clause I above and more particularly described in Schedule "A" hereto.

**III.**

All right, title and interest of the Issuer in and to all cash balances held from time to time hereunder and all income and earnings derived from or accruing to the Government Obligations described in Clause II above and more particularly described in Schedule "A" attached hereto and made a part hereof, and all proceeds of any of the foregoing.

**IV.**

All property which is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property of every kind and nature that may, from time to time hereafter, by delivery or by writing of any kind, be conveyed, pledged, assigned, or transferred as and for additional security hereunder or to be subject to the pledge hereof, by the Issuer or by anyone in its behalf, and the Escrow Agent is hereby authorized to receive the same at any time as additional security hereunder.

**TO HAVE AND TO HOLD**, all the same, including all additional property which by the terms hereof has or may become subject to the encumbrances of this Agreement given, granted, pledged and assigned or agreed so to be, with all privileges and appurtenances hereby to the Escrow Agent, and its successors and assigns, forever;

**IN ESCROW NEVERTHELESS**, upon the terms herein set forth, for the equal and proportionate benefit, security and protection, as herein described, of the holders or owners from time to time of the Refunded Bonds in the manner herein provided; but if the Refunded Bonds shall be fully and promptly paid when due or redeemed in accordance with the terms thereof, then this Agreement shall be and become null and void and of no further force and effect, otherwise the same shall

remain in full force and effect, and subject to the covenants and conditions hereinafter set forth.

## ARTICLE I

### DEFINITIONS

**SECTION 1.01. Definitions.** In addition to words and terms elsewhere defined in this Agreement, as used herein, unless some other meaning is plainly intended, the following terms and phrases shall have the following meanings:

**"Agreement"** means this Escrow Deposit Agreement between the Issuer and the Escrow Agent.

**"Bond Resolution"** means Resolution No. 020918 adopted by the Issuer on February 24, 2003, as supplemented and amended.

**"Escrow"** or **"pledged property"** shall mean the property, rights and interest of the Issuer which are subject to the lien of this Agreement.

**"Escrow Agent"** means The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, a national banking association having trust powers, organized and existing under and by virtue of the laws of the United States of America and being duly qualified to accept and administer the Escrow hereby created, and its successors in such capacity.

**"Escrow Deposit Fund"** means the fund so designated and established under Section 2.01 of this Agreement.

**"Fiscal Year"** means that period of time commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as may be prescribed by law.

**"Government Obligations"** means the noncallable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America constituting part of the Escrow and described in Schedule "A" attached hereto. The term "Government Obligations" does not include money market funds investing in direct obligations of the United States of America or any other type of money market funds.

**"Issuer"** means the City of Gainesville, Florida.

**"Mayor"** means the Mayor or Mayor-Commissioner Pro Tempore of the City Commission of the Issuer.

**"Paying Agent"** means The Bank of New York Mellon Trust Company, N.A., as successor to J.P. Morgan Trust Company, N.A., and its successors as paying agent for the Refunded Bonds.

**"Refunded Bonds"** means the Issuer's Capital Improvement Revenue Bonds, Series 2005, maturing in the years 2016 through 2025, inclusive, currently outstanding in the aggregate principal amount of \$13,710,000.

**"Refunding Note"** means the \$14,715,000 City of Gainesville, Florida Refunding Revenue Note, Series 2014, dated February 14, 2014.

**"Written Request"** with respect to the Issuer means a request in writing signed by the Mayor, the City Manager, the Administrative Services Director, the Finance Director or any other officer or official of the Issuer duly authorized by the Issuer to execute such request and satisfactory to the Escrow Agent.

**SECTION 1.02. Uses of Phrases.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

## **ARTICLE II**

### **ESTABLISHMENT OF FUNDS; FLOW OF FUNDS**

#### **SECTION 2.01. Creation of Escrow Deposit Fund.**

(a) There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the "Escrow Deposit Fund" to be held in the custody of the Escrow Agent separate and apart from other funds of the Issuer or of the Escrow Agent.

(b) Concurrently with the execution of this Agreement, the Issuer hereby deposits or has caused to be deposited with the Escrow Agent, and the Escrow Agent acknowledges receipt of, immediately available moneys in the amount of \$14,666,937.85 from the proceeds of the Refunding Note and \$201,056.25 derived from the Sinking Fund Account in the Debt Service Fund for the Refunded Bonds to be deposited in the Escrow Deposit Fund.

(c) The funds deposited in the Escrow Deposit Fund pursuant to subsection (b) above shall be immediately invested by the Escrow Agent in the noncallable Government Obligations described in Schedule "A" hereto, except \$2.10 of the funds shall be initially held uninvested as a cash balance. The Issuer hereby

represents and warrants that the Government Obligations described in Schedule "A," together with earnings to be received thereon, and the initial cash balance, will provide sufficient funds to pay the principal of and interest and redemption premiums on the Refunded Bonds as the same become due or are called for redemption on October 1, 2015. The total aggregate receipts from such investments pursuant to Schedule "A" is shown on Schedule "B" attached hereto. The debt service on the Refunded Bonds is shown on Schedule "C" hereto.

**SECTION 2.02. Irrevocable Escrow Created.** Except as provided in Section 4.01 hereof with respect to certain amendments, the deposit of moneys and Government Obligations in the Escrow Deposit Fund as described in Schedule "A" shall constitute an irrevocable escrow fund deposit of said moneys and Government Obligations for the benefit of the registered owners of the Refunded Bonds and such registered owners shall have an express lien on all moneys and the principal of and interest on all such Government Obligations and all cash balances therein, until used and applied according to this Escrow Deposit Agreement. Such moneys and investments, and the matured principal of the Government Obligations and the interest thereon shall be held in escrow by the Escrow Agent in the Escrow Deposit Fund created hereunder for the benefit of the registered owners of the Refunded Bonds as herein provided, and shall be kept separate and distinct from all other funds of the Issuer and the Escrow Agent and used only for the purposes and in the manner provided in this Escrow Deposit Agreement.

**SECTION 2.03. Purchase of Government Obligations.** The Escrow Agent is hereby directed to immediately purchase the Government Obligations listed on Schedule "A" hereto solely from the moneys deposited in the Escrow Deposit Fund as hereinabove described and to hold the initial cash balance of \$2.10 uninvested in the Escrow Deposit Fund. Except as otherwise provided herein, cash balances received from the Government Obligations as described in Schedule "A" as shown on Schedule "B" shall be held uninvested until applied in accordance with the terms hereof.

**SECTION 2.04. Redemption of Refunded Bonds; Use of Moneys in the Escrow Deposit Fund.**

A. The Issuer hereby irrevocably instructs the Escrow Agent to instruct the Paying Agent to call the Refunded Bonds for redemption on October 1, 2015 in accordance with the terms of the Bond Resolution. The Escrow Agent shall instruct the Paying Agent for the Refunded Bonds to give a notice of redemption substantially in the form attached hereto as Exhibit One.

B. As any principal of and interest on the Government Obligations set forth in Schedule "A" shall mature and is received as shown on Schedule "B," the Escrow Agent shall no later than the principal and interest payment dates and the redemption date with respect to the callable Refunded Bonds (unless any such date shall not be a business day, in which case, the next succeeding date which is a

business day), transfer from the Escrow Deposit Fund to the Paying Agent for the Refunded Bonds amounts sufficient to pay the principal of and interest and redemption premium on the Refunded Bonds on the next principal and interest payment date and redemption payment date, as shown on Schedule "C." Such amounts shall be applied by the Paying Agent to pay the principal of and interest and redemption premium on the Refunded Bonds. Except as otherwise provided herein, all cash balances remaining from time to time in the Escrow Deposit Fund, as described in Schedule "B," shall be held uninvested until needed for the purposes hereof.

C. Any moneys remaining after payment in full of the Refunded Bonds shall also be transferred to the Issuer as contemplated in Section 2.06 below.

**SECTION 2.05. Investment of Moneys remaining in Escrow Deposit Fund.** The Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Government Obligations held hereunder or to sell, transfer or otherwise dispose of the Government Obligations acquired hereunder except as provided in this Agreement. At the Written Request of the Issuer, the Escrow Agent may invest and reinvest any moneys remaining from time to time in the Escrow Deposit Fund until such time that they are needed in direct obligations of the United States of America maturing at such time and bearing interest at such rates as, in the opinion of Holland & Knight LLP or other nationally recognized bond counsel, based upon an independent verification by a nationally recognized independent certified public accounting firm, will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Refunding Note cause the interest on such Refunding Note or the Refunded Bonds not to be excluded from gross income for federal income tax purposes. The Escrow Agent will not make any investments or reinvestments not expressly contemplated herein and in the Schedules hereto without such an opinion and verification. Any interest income resulting from reinvestment of moneys pursuant to this Section 2.05 shall be transferred to the Issuer, at the Written Request of the Issuer, and used by the Issuer for any lawful purpose, unless the opinion referred to above shall dictate otherwise.

**SECTION 2.06. Transfer of Funds after all Payments Required by this Agreement are made.** After all of the transfers by the Escrow Agent to the Paying Agent for payment of the principal of, interest on and redemption premiums with respect to the Refunded Bonds have been made, all remaining moneys and Government Obligations, together with any income and interest thereon, in the Escrow Deposit Fund shall be transferred to the Issuer by the Escrow Agent and used by the Issuer for any lawful purpose which, in the opinion of Holland & Knight LLP or other nationally recognized bond counsel, will not cause the interest on the Refunded Bonds or the Refunding Note not to be excluded from gross income for federal income tax purposes; provided, however, that no such transfer (except transfers made in accordance with Sections 2.04C, 2.05 and 4.01 hereof) to the

Issuer shall be made until all of the principal of, interest on and redemption premiums with respect to the Refunded Bonds have been paid.

**SECTION 2.07. Deficiencies.** If at any time it shall appear to the Escrow Agent that the available proceeds in the Escrow Deposit Fund will not be sufficient to make any payment due to the holders of any of the Refunded Bonds, the Escrow Agent shall promptly notify the Issuer prior to such payment date and the Issuer agrees that it will, from any funds legally available for such purposes, make up the anticipated deficit so that no default in the making of any such payment will occur.

**SECTION 2.08. Paying Agent and Registrar.** The Issuer has received an acknowledgment from The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent and registrar for the Refunded Bonds that provision satisfactory to it has been made by the Issuer for paying all of its fees, charges and expenses and all other amounts payable by the Issuer to it under the terms of the Bond Resolution.

### ARTICLE III

#### CONCERNING THE ESCROW AGENT

**SECTION 3.01. Appointment of Escrow Agent.** The Issuer hereby appoints The Bank of New York Mellon Trust Company, N.A., as Escrow Agent under this Agreement.

**SECTION 3.02. Acceptance by Escrow Agent.** By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent further represents that it has all requisite power, and has taken all corporate actions necessary to execute this Escrow Agreement. The Issuer shall pay the Escrow Agent's fees and expenses for services rendered hereunder from funds of the Issuer other than those held hereunder. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in the Escrow Deposit Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

**SECTION 3.03. Liability of Escrow Agent.** The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement.

The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the Government Obligations, and the earnings thereon to pay the Refunded Bonds. So long as the Escrow Agent applies any cash on hand, the Government Obligations, and the interest earnings therefrom to pay the Refunded Bonds as provided herein, and

complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations.

In the event of the Escrow Agent's failure to account for any of the Government Obligations, or moneys received by it hereunder, said Government Obligations, or moneys shall be and remain the property of the Issuer in escrow for the holders of the Refunded Bonds, as herein provided.

**SECTION 3.04. Permitted Acts.** The Escrow Agent and its affiliates may become the owner of or may deal in any obligations of the Issuer described herein as fully and with the same rights as if it were not the Escrow Agent.

**SECTION 3.05. Resignation of Escrow Agent.** The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the escrow hereby created by giving not less than sixty (60) days' advance written notice to the Issuer, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the Refunded Bonds or by the Issuer or otherwise as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent, and the transfer to such successor Escrow Agent of the funds and accounts held by the Escrow Agent hereunder.

**SECTION 3.06. Removal of Escrow Agent.**

(a) The Escrow Agent may be removed at any time if the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding file a request for removal in writing with the Issuer, but the Escrow Agent shall remain in office until the appointment and taking office of a successor Escrow Agent in accordance with the provisions of this Agreement. A copy of such request shall be delivered by the Issuer to the Escrow Agent.

(b) The Escrow Agent may also be removed at any time for any violation of this Agreement by a court of competent jurisdiction upon the application of the Issuer or the holders of not less than five percent (5%) in aggregate principal amount of the Refunded Bonds then outstanding.

(c) The Escrow Agent shall be deemed to have been removed if it is dissolved, becomes incapable of exercising the powers necessary to carry out its obligations hereunder or is taken over by any governmental action.

**SECTION 3.07. Successor Escrow Agent.**

(a) When the position of the Escrow Agent becomes or is about to become vacant, the Issuer shall appoint a successor Escrow Agent to fill such vacancy.

(b) The Escrow Agent and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Refunded Bonds.

(c) If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section within sixty (60) days after the earlier of (i) the date of resignation of the Escrow Agent or (ii) the date the vacancy occurs, the Issuer shall, or the holder of any Refunded Bond then outstanding, or any Escrow Agent retiring or being removed from office may, apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Upon the deposit by the retiring or removed Escrow Agent of all funds and securities held by it under the provisions hereof into the registry of such court, such retiring or removed Escrow Agent shall be relieved of all future duties hereunder.

**SECTION 3.08. Receipt of Proceedings.** Receipt of true and correct copies of the proceedings of the Issuer authorizing the issuance of the Refunded Bonds and the proceedings of the Issuer authorizing the issuance of the Refunding Note are hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of said documents shall be deemed to incorporate the same as a part thereof in the same manner and with the same effect as if they were fully set forth herein but only to the extent that such incorporation shall be necessary to the performance by the Escrow Agent of its duties and obligations set forth herein. No such incorporation shall be deemed or construed to place upon the Escrow Agent any duties or obligations not otherwise expressly set forth herein.

**SECTION 3.09. Responsibilities of Escrow Agent.** (a) The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the acceptance of the funds and securities deposited in the Escrow Deposit Fund, the purchase of the Government Obligations in accordance with the terms hereof, the establishment of the Escrow Deposit Fund, the retention of the Government Obligations or the proceeds thereof or any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall, however, be liable to the Issuer for its negligent or willful acts, omissions or errors which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

(b) Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer. The Escrow Agent may

conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement; the Escrow Agent shall be protected and shall not be liable for acting or proceeding in good faith upon such reliance; and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the Issuer or independent counsel, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance herewith. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available, established and maintained hereunder and the Escrow Agent shall not be required to expend its own funds for the performance of its duties under this Agreement. The Escrow Agent may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care.

In consideration of the services rendered by the Escrow Agent under this Agreement, the Issuer agrees to and shall pay to the Escrow Agent a one-time up-front fee of \$750 plus expenses, and reasonable, customary and ordinary expenses, charges, attorneys' fees, costs and expenses and other disbursements incurred by it in connection with publication of notices of redemption and substitutions of Government Obligations hereunder. The Escrow Agent shall have no lien whatsoever upon any of the Government Obligations in the Escrow Deposit Fund for the payment of such proper fees and expenses. The Issuer hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to the extent permitted by law, but only from legally available non-ad valorem funds, to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements), which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by the Issuer or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Deposit Fund established hereunder, the acceptance of the funds and securities deposited hereunder, the purchase of the Government Obligations, the retention of the Government Obligations or the proceeds thereof, any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement and performance by the Escrow Agent of any other action required or permitted to be undertaken by it under this Agreement; provided, however, that the Issuer shall not be required to indemnify the Escrow Agent against its own negligence or willful misconduct. In no event shall the Issuer be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent

as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement.

## ARTICLE IV

### MISCELLANEOUS

**SECTION 4.01. Amendments to this Agreement.** This Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the Issuer; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of Holland & Knight LLP or other nationally recognized attorneys on the subject of municipal bonds and the exclusion of the interest thereon from gross income for federal income tax purposes with respect to compliance with this section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Notwithstanding the foregoing or any other provision of this Agreement, at the Written Request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of the Government Obligations held hereunder and to substitute therefor noncallable direct obligations of, or obligations the principal of and interest on which is fully guaranteed by the United States of America, subject to the condition that such moneys or securities held by the Escrow Agent shall be sufficient to timely pay the principal of, interest on and redemption premium, if any, with respect to the Refunded Bonds in accordance with the schedules attached hereto. The Issuer hereby covenants and agrees that it will not request the Escrow

Agent to exercise any of the powers described in the preceding sentence in any manner which will cause the Refunding Note or the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder in effect on the date of such request and applicable to obligations issued on the issue date of the Refunding Note. The Escrow Agent shall purchase such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the Government Obligations held hereunder or from other moneys available in accordance with the written directions of the Issuer. The transactions may be effected only if there shall have been obtained: (1) an independent verification by a nationally recognized independent certified public accounting firm acceptable to the Escrow Agent concerning the adequacy of such substituted securities with respect to principal and the interest thereon and any other moneys or securities held for such purpose to meet the principal, applicable redemption premiums and interest when due of the Refunded Bonds as contemplated by the schedules hereto; and (2) an opinion from Holland & Knight LLP or other nationally recognized bond counsel to the Issuer and the Escrow Agent to the effect that the disposition and substitution or purchase of such securities will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Refunding Note, cause the interest on such Bonds not to be excluded from gross income for Federal income tax purposes.

If Schedules "D-1" and "D-2" have been attached hereto at the time of execution hereof, the noncallable Government Obligations described in Schedule "A" hereto (the "Substituted Securities") have been provided to the Issuer by the supplier thereof (the "Supplier") under a contract pursuant to which (i) the Supplier may at any time substitute the Government Obligations listed in Schedule "D-1" (the "Original Securities"), for the Substituted Securities without cost or expense to either party and (ii) the Supplier is entitled to amounts received on the Substituted Securities in excess of the amounts that would have been received on the Original Securities, to the extent not needed to pay principal of and interest and redemption premiums on the Refunded Bonds at the time and the manner contemplated by the terms of this Escrow Agreement. Under such circumstances, the Escrow Agent shall deliver to the Supplier amounts received on the Substituted Securities that, as certified by the Issuer to the Escrow Agent are in excess of the amounts that would have been received on the Original Securities, to the extent not needed to pay principal of and interest and redemption premiums on the Refunded Bonds. In addition, if the Escrow Agent receives delivery from the Supplier of the Original Securities in substitution for the Substituted Securities, the Escrow Agent shall promptly deliver to the Supplier the Substituted Securities in exchange for the Original Securities without regard to the market value thereof at the time of substitution, provided that no payment of any principal of or interest on the Original Securities or the Substituted Securities has been made to the Escrow Agent. Immediately upon such substitution, Schedules "D-1" and "D-2" shall be substituted for Schedule "A" and "B," respectively, for all purposes hereof.

If securities are substituted pursuant to this Section 4.01, any surplus moneys resulting from the sale, transfer, other disposition or redemption of the Government Obligations held hereunder and the substitutions therefor of noncallable direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States of America, shall be released from the Escrow and shall be transferred to the Issuer and may be used by the Issuer for any lawful purpose which, in the opinion of Holland & Knight LLP or other nationally recognized bond counsel, will not cause the interest on the Refunded Bonds or the Refunding Note not to be excluded from gross income for federal income tax purposes.

Prior to any repeal, revocation, alteration or amendment of this Agreement, the Issuer shall provide written notice of such proposed repeal, revocation, alteration or amendment, if the Refunded Bonds are then rated by Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Ratings Service ("S&P") or Fitch Ratings ("Fitch"), to Moody's, S&P and Fitch, as applicable, at the following addresses, respectively:

Moody's Investors Service, Inc.  
7 World Trade Centre  
25 Greenwich Street  
New York, New York 10007  
Attn: Municipal Rating Desk/Refunded Bonds

Standard & Poor's Ratings Service  
55 Water Street, 42<sup>nd</sup> Floor  
New York, New York 10041

Fitch Ratings  
One State Street Plaza  
New York, New York 10004

and to the insurer of the Refunded Bonds at:

MBIA Insurance Corporation  
113 King Street  
Armonk, New York 10504  
Attn: Surveillance

**SECTION 4.02. Severability.** If any one or more of the covenants or agreements provided in this Agreement should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed to be separate and shall in no way affect the validity of the remaining provisions of this Agreement.

**SECTION 4.03. Agreement Binding.** All the covenants, promises and agreements in this Agreement contained by or on behalf of the Issuer or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, and shall be for the benefit of the holders of the Refunded Bonds and the Refunding Note, whether so expressed or not.

**SECTION 4.04. Termination.** This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

**SECTION 4.05. Governing Law.** This Agreement shall be governed by the applicable laws of the State of Florida without regard to conflict of law principles.

**SECTION 4.06. Execution by Counterparts.** This Agreement may be executed in several counterparts, each of which shall be regarded for all purposes as an original, and all of which, together, shall constitute and be but one and the same instrument.

**SECTION 4.07. Notices.** All notices and communications required to be delivered pursuant to this Agreement shall be given in writing, or by telegram, telex, or cable or first class mail, postage prepaid, addressed to the following parties, at the following addresses:

The Issuer: City of Gainesville, Florida  
200 East University Avenue, 4<sup>th</sup> Floor  
Gainesville, Florida 32601  
Attention: City Manager

and

City of Gainesville, Florida  
200 East University Avenue, 4<sup>th</sup> Floor  
Gainesville, Florida 32601  
Attention: City Attorney

The Escrow Agent: The Bank of New York Mellon Trust Company, N.A.  
10161 Centurion Parkway  
Jacksonville, Florida 32256  
Attention: Corporate Trust Department

The Escrow Agent shall have the right to accept and act upon directions given pursuant to this Agreement and delivered using Electronic Means; provided, however, that the Issuer shall provide to the Escrow Agent an incumbency certificate listing authorized officers with the authority to provide such directions and containing specimen signatures of such authorized officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Escrow Agent directions using Electronic

Means and the Escrow Agent in its discretion elects to act upon such directions, the Escrow Agent's understanding of such directions shall be deemed controlling. The Issuer understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such directions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such authorized officer. The Issuer shall be responsible for ensuring that only authorized officers transmit such directions to the Escrow Agent and that all authorized officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such directions notwithstanding that such directions conflict or are inconsistent with a subsequent written direction. The Issuer agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Escrow Agent and that there may be more secure methods of transmitting directions than Electronic Means; and (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances. "Electronic Means" shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer and the Escrow Agent have duly executed this Agreement as of the 14<sup>th</sup> day of February, 2014.

**CITY OF GAINESVILLE, FLORIDA**

By:   
Finance Director


ATTEST:

By:   
Clerk of the Commission

Approved as to form and legality:

By:   
City Attorney

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Escrow Agent**

By:   
Authorized Officer

#26961972\_v6  
16334-46

**EXHIBIT ONE**  
**NOTICE OF REDEMPTION**

City of Gainesville, Florida  
Capital Improvement Revenue Bonds,  
Series 2005

Dated November 30, 2005

Notice is hereby given to the holders of the outstanding City of Gainesville, Florida Capital Improvement Revenue Bonds, Series 2005, dated November 30, 2005, originally issued on November 30, 2005, that all of said Bonds maturing in the years 2016 through 2025, inclusive, have been called for redemption prior to maturity on October 1, 2015 in accordance with their terms at a redemption price of 100% of the principal amount thereof (and without premium), together with accrued interest thereon to October 1, 2015.

The Bonds to be redeemed are more particularly described as follows:

<u>Maturity Date, October 1 of the following years:</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No. *</u>
2016	\$1,125,000	4.250	362794AL3
2017	1,170,000	4.250	362794AM1
2018	1,220,000	4.250	362794AN9
2019	1,275,000	4.375	362794AP4
2020	1,330,000	4.375	362794AQ2
2021	1,390,000	4.375	362794AR0
2022	1,450,000	4.500	362794AS8
2023	1,515,000	4.500	362794AT6
2024	1,580,000	4.500	362794AU3
2025	1,655,000	4.500	362794AV1

The redemption price of and accrued interest on such Bonds shall be due and payable on October 1, 2015, and from and after October 1, 2015, interest on such Bonds shall cease to accrue and be payable. In accordance with the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, the Paying Agent may be required to withhold 28% of the payment upon redemption to certain bondholders who have failed to furnish the Paying Agent with a completed Internal Revenue Service Form W-9, entitled "Payer's Request for Taxpayer Identification Number." Therefore, Bondholders should furnish a correctly completed Form W-9 when presenting the Refunded Bonds for redemption to avoid any such withholding or penalties.

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\* CUSIP numbers are included solely for the convenience of owners of the Bonds. Neither the City of Gainesville, Florida nor the Paying Agent shall have any responsibility with respect to the selection or use of any CUSIP number; nor is any representation made as to the correctness or accuracy of any CUSIP Number, either as printed on the Bonds or as contained in this Notice of Redemption.

The holders of such Bonds will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal office of The Bank of New York Mellon Trust Company, N.A., as successor to J.P. Morgan Trust Company, N.A:

First Class/Registered/Certified

The Bank of New York Mellon  
Global Corporate Trust  
P O Box 396  
East Syracuse  
New York 13057

Express Delivery Only

The Bank of New York Mellon  
Global Corporate Trust  
111 Sanders Creek Parkway  
East Syracuse  
New York 13057

By Hand Only

The Bank of New York Mellon  
Global Corporate Trust  
Corporate Trust Window  
101 Barclay Street, 1<sup>st</sup> Fl, E.  
New York, NY 10286

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF GAINESVILLE, FLORIDA

## SCHEDULE A

Feb 6, 2014 10:44 am Prepared by Public Financial Management, Inc.

(Finance 7.008 gainessville:COV=2014,2014) Page 9

### ESCROW DESCRIPTIONS DETAIL

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

\*\*\*  
FINAL NUMBERS  
Lender: TD Bank

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Series 2005 (2005), SF_ESC, Feb 14, 2014:						
SLGS	Certificate	04/01/2014	04/01/2014	201.056	0.070%	0.070%
Global Proceeds Escrow, Feb 14, 2014:						
SLGS	Certificate	04/01/2014	04/01/2014	96,743	0.070%	0.070%
SLGS	Certificate	10/01/2014	10/01/2014	286,590	0.070%	0.070%
SLGS	Note	04/01/2015	04/01/2014	286,716	0.120%	0.120%
SLGS	Note	10/01/2015	04/01/2014	13,996,887	0.210%	0.210%
				14,666,936		
				14,867,992		

### SLGS Summary

SLGS Rates File	06FEB14
Total Certificates of Indebtedness	584,389.00
Total Notes	14,283,603.00
Total original SLGS	14,867,992.00

## SCHEDULE B

Feb 6, 2014 10:44 am Prepared by Public Financial Management, Inc.

(Finance 7,008 gainessville:COV-2014,2014) Page 11

### ESCROW CASH FLOW

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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FINAL NUMBERS  
Lender: TD Bank

Date	Principal	Interest	Net Escrow Receipts
04/01/2014	297,799.00	3,784.31	301,583.31
10/01/2014	286,590.00	14,994.62	301,584.62
04/01/2015	286,716.00	14,868.76	301,584.76
10/01/2015	13,996,887.00	14,696.73	14,011,583.73
	14,867,992.00	48,344.42	14,916,336.42

### Escrow Cost Summary

Purchase date	02/14/2014
Purchase cost of securities	14,867,992.00

## SCHEDULE C

Feb 6, 2014 10:44 am Prepared by Public Financial Management, Inc.

(Finance 7.008 gainesville:COV-2014,2014) Page 12

### ESCROW SUFFICIENCY

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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### FINAL NUMBERS

Lender: TD Bank

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
02/14/2014		2.10	2.10	2.10
01/01/2014	301,584.38	301,583.31	-1.07	1.03
10/01/2014	301,584.38	301,584.62	0.24	1.27
04/01/2015	301,584.38	301,584.76	0.38	1.65
10/01/2015	14,011,584.38	14,011,583.73	-0.65	1.00
	14,916,337.52	14,916,338.52	1.00	

CERTIFICATE AS TO PUBLIC MEETINGS  
AND NO CONFLICT OF INTEREST

COUNTY OF ALACHUA

STATE OF FLORIDA

Each of the undersigned members of the City Commission (the "Governing Body") of the City of Gainesville, Florida (the "Issuer"), recognizing that TD Bank, N.A. (the "Bank") will have purchased the Issuer's Refunding Revenue Note, Series 2014 (the "Note") issued under a Loan Agreement between the Issuer and the Bank in reliance upon this certificate, HEREBY CERTIFIES that:

(1) He or she has not, meeting together with any other member or members of the Governing Body other than at public meetings of the Governing Body, reached any conclusion as to the actions taken by the Governing Body with regard to the Note, the security therefor or the application of the proceeds therefrom, or any other material matters in regard to the Note;

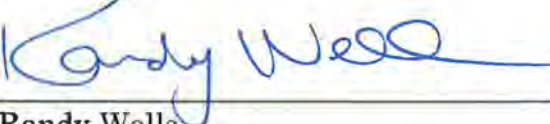
(2) He or she does not have or hold any employment with or any contractual relationship with the Bank that would constitute a prohibited conflict of interest under Part III, Chapter 112, Florida Statutes.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures as of the 14<sup>th</sup> day of February, 2014.

  
Ed Braddy, Mayor

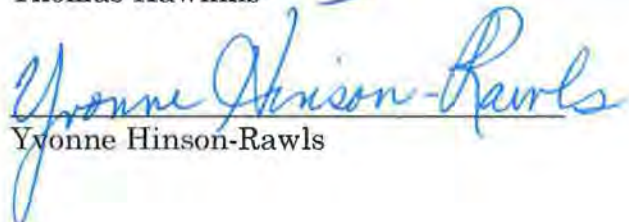
  
Todd Chase

  
Lauren Poe

  
Randy Wells

  
Susan Bottcher

  
Thomas Hawkins

  
Yvonne Hinson-Rawls

CERTIFICATE AS TO SIGNATURES, OFFICIALS,  
SEAL, NO DEFAULT AND OTHER MATTERS

We, the undersigned Finance Director (the "Finance Director") and Clerk of the Commission (the "Clerk") of the City of Gainesville, Florida (the "City"), DO HEREBY CERTIFY as follows:

1. We are the qualified and acting Finance Director and Clerk, respectively, of the City.

2. The following is a correct listing of the names of the members of the City Commission (the "Governing Body") of the City and the date of expiration of their respective terms of office:

<u>Name</u>	<u>Expiration of Term</u>
Ed Braddy, Mayor	May, 2016
Susan Bottcher	May, 2014
Todd Chase	May, 2014
William Thomas Hawkins	May, 2014
Yvonne Hinson-Rawls	May, 2015
Lauren Poe	May, 2015
Randy Wells	May, 2016

3. All of the above members of the Governing Body have duly filed their oaths of office, and such of them as are required by law to file bonds or undertakings have duly filed such bonds or undertakings in the amount and manner required by law.

4. Nicolle Shalley, Esquire, is the duly appointed City Attorney for the City and accordingly is entitled to sign opinions and other documents pertaining to the Governing Body, the City, the Loan Agreement dated as of February 14, 2014 (the "Loan Agreement"), between the City and TD Bank, N.A. (the "Bank"), the Refunding Revenue Note, Series 2014 dated February 14, 2014 (the "Note") from the City to the Bank and the Escrow Deposit Agreement dated as of February 14, 2014 (the "Escrow Deposit Agreement"), between the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent. The law firm of Holland & Knight LLP, Lakeland, Florida, is bond counsel for the City, and accordingly is

entitled to sign opinions as bond counsel. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

5. The Finance Director has signed the Loan Agreement, the Escrow Deposit Agreement and the Note by his manual signature, and the signature appearing on said Note and the manual signature at the end of this Certificate are each the true and lawful signature of the Finance Director.

6. The seal of the City was duly impressed upon the Note, and such seal and the signature of the Finance Director were attested by the manual signature of the Clerk. Such manual seal and the signature of the Clerk appearing on the Note and the manual signature of the Clerk at the end of this certificate constitute the true and lawful seal of the City and the signature of the Clerk, respectively.

7. Resolution No. 130549 duly adopted by the Governing Body on February 6, 2014 (the "Resolution"), as certified by the Clerk as of the date hereof, has not been modified, amended, revoked or repealed in any way after its date of adoption, and is now in full force and effect.

8. The Note, the Loan Agreement and the Escrow Deposit Agreement, as executed and delivered, are in substantially the respective forms approved by the Governing Body in the Resolution.

9. The City has authorized by all necessary action the adoption and due performance of the Resolution and the execution, delivery and performance by the City of the Loan Agreement, the Escrow Deposit Agreement and Note, and all authorizations, consents, approvals and reviews of governmental bodies or regulatory authorities now required for the City's execution, delivery and due performance of the Note, the Loan Agreement and the Escrow Deposit Agreement, and any and all such other agreements and documents as may be required to be executed, delivered and received by the City to carry out, give effect to and consummate the transactions contemplated by the Resolution have been obtained or effected.

10. The execution, delivery, receipt and due performance of the Note, the Loan Agreement and the Escrow Deposit Agreement and the other agreements contemplated by the Resolution under the circumstances contemplated thereby, and the City's compliance with the provisions thereof, will not conflict with or constitute on the City's part a breach of or a default under any existing constitutional provision, law, court or administrative regulation, decree or order or any agreement, indenture, bond, note, lease or other instrument to which the City is subject or by which the City may be bound, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under the Loan Agreement or any such

instrument, nor will such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of such law, regulation or instrument, except as provided by the Note, the Loan Agreement, the Escrow Deposit Agreement and the Resolution.

11. The City has not, since December 31, 1975, been in default in the payment of principal of, premium, if any, or interest on, or otherwise been in default with respect to, any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest, which would be considered material by a reasonable investor.

12. For the purposes of Section 215.84 of Florida Statutes, the City acknowledges that the Note is not rated by a nationally recognized rating service and that The Bond Buyer "20 Bond Index" published immediately preceding the first day of the calendar month in which the City issued the Note was at 4.48%. The average net interest cost rate on the Note, 2.4%, is less than a rate 300 basis points in excess of such "20 Bond Index" rate.

13. When issued and delivered to, and paid for by, the Bank, the Note, and when executed and delivered, the Loan Agreement and the Escrow Deposit Agreement, will have been duly and validly authorized, executed, issued and delivered and will constitute the legal, valid and binding obligations of the City enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency or other laws affecting the creditors' rights and remedies and to general principles of equity.

14. To the best of our knowledge, except as has been disclosed to the Bank, there is no action, suit, inquiry or proceeding pending, or to the best of our knowledge, threatened, or any investigation in any court, public board or administrative body seeking to restrain or enjoin the sale, issuance, execution, delivery or performance of the Note or the execution, delivery or performance of the Loan Agreement and the Escrow Deposit Agreement; in any way contesting or affecting any authority for the issuance of the Note or the validity, or enforceability of the Note, the Loan Agreement, the Escrow Deposit Agreement or the Resolution or the transactions contemplated by the Resolution, the Note, the Loan Agreement, the Escrow Deposit Agreement or any other agreements or documents contemplated by the Resolution; in any way contesting the existence or powers of the City; seeking to limit, restrain, enjoin or otherwise restrict the collection of Pledged Funds (as defined in the Loan Agreement) to pay the principal of, premium, if any, and interest, on the Note; or which may result in any material adverse change in the operations or the condition, financial or otherwise, of the City or the matters contemplated in the Resolution, the Loan Agreement, the Escrow Deposit Agreement or the Note.

15. The City has never been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

IN WITNESS WHEREOF, we have hereunto set our hands and the official seal of the City, and have indicated our respective official titles, all as of the 14<sup>th</sup> day of February, 2014.

Signature

Official Title



Finance Director

Mark S. Benton



Clerk of the Commission

Kurt M. Lannon

(Official Seal)

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CERTIFICATE AS TO COMPLIANCE WITH ANTI-DILUTION TEST

We, the undersigned City Manager and Finance Director of the City of Gainesville, Florida (the "City"), DO HEREBY CERTIFY that:

1. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement dated as of February 14, 2014 between the City and TD Bank, N.A.

2. After the issuance of the Refunding Revenue Note, Series 2014 dated February 14, 2014 (the "Note"), the maximum annual debt service in any Bond Year (net of any subsidies or reimbursements related to interest) resulting from the total outstanding Non-Self-Supporting Revenue Debt of the City, including the Note, does not exceed fifty percent (50%) of total Non-Ad Valorem Revenues received by the City in the Fiscal Year preceding the date hereof and the Non-Ad Valorem Revenues of the City for such Fiscal Year were at least 2.00 times average annual debt service (net of any subsidies or reimbursements related to interest) in all future Bond Years on all outstanding Non-Self-Supporting Revenue Debt and the Note.

IN WITNESS WHEREOF, we have hereunto set our hands as of the 14<sup>th</sup> day of February, 2014.

By:   
Russ Blackburn, City Manager

By:   
Mark S. Benton, Finance Director

CERTIFICATE RELATING TO TAX, ARBITRAGE  
AND OTHER MATTERS OF  
CITY OF GAINESVILLE, FLORIDA  
CONCERNING ITS  
\$14,715,000  
REFUNDING REVENUE NOTE, SERIES 2014

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The undersigned, Finance Director of the City of Gainesville, Florida (the "City"), who has been charged with the responsibility of issuing the Note described below, DOES HEREBY CERTIFY on behalf of the City as follows:

1. THE NOTE.

1.1. The City is issuing and delivering, simultaneously with the execution of this Certificate, its \$14,715,000 Refunding Revenue Note, Series 2014 (the "Note"). The Note is being issued under and pursuant to the Constitution and laws of the State of Florida, including Article VIII, Section 1 of the Constitution of the State of Florida; Chapter 125, Florida Statutes; and the Charter of the City; and other applicable provisions of law (collectively, the "Act"), and pursuant to Resolution No. 130549 adopted by the City Commission of the City (the "Commission") on February 6, 2014 (the "Resolution"). All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement dated as of February 14, 2014, between the City and TD Bank, N.A. (the "Loan Agreement").

1.2. The Note and the interest thereon are payable from (i) the Non-Ad Valorem Revenues budgeted and appropriated and deposited into the Debt Service Account established by the Resolution to pay debt service on the Note, and (ii) all funds on deposit in the Debt Service Account created by the Resolution (including all investment securities on deposit therein), and all investment earnings on any of such funds.

2. THE GOVERNMENT PURPOSE OF THE ISSUE.

2.1. The Note is being issued to (i) advance refund the City's Capital Improvement Revenue Bonds, Series 2005, maturing on October 1 of the years 2016 through 2025 (the "Refunded Bonds"), and (ii) pay certain costs and expenses incurred in connection with the issuance of the Note.

2.2. The proceeds of the Refunded Bonds were used as follows: (i) \$23,547,547.53 were used to acquire certain lands and to acquire, construct, refurbish, renovate and equip various municipal facilities, including, without limitation, police and fire facilities, recreational and greenspace facilities,

transportation facilities and economic development and redevelopment projects (the "Refunded Project"), \$132,000 were used to pay the premium for a municipal bond insurance policy and the balance was applied to pay costs of issuance of the Refunded Bonds.

2.3. As of the date of issuance of the Refunded Bonds, the City reasonably expected that at least 85% of the spendable proceeds of the Refunded Bonds would be expended within 3 years of the date that the Refunded Bonds were issued. In addition, not more than 50% of the proceeds of the Refunded Bonds were invested in obligations having a substantially guaranteed yield for a period of 4 years or more.

2.4 The City represents that all of the proceeds of the Refunded Bonds, other than the amounts described in Section 2.6 below, and the obligations, if any, refunded by such Refunded Bonds, have been expended. The City further represents that it has not sold or otherwise transferred any of the property financed with proceeds of the Refunded Bonds.

2.5 The Refunded Bonds will be redeemed on October 1, 2015, at par.

2.6 (a) \$707,929 of the proceeds of the Refunded Bonds have not been expended. When the Refunded Bonds were issued proceeds were reasonably expected to be allocated for costs for the Depot Park Improvements and for the Traffic Signal Synchronization Project within three years from the date of issuance of the Refunded Bonds.

(b) Depot Park is a downtown park project that is designed to turn a brownfield site into a multipurpose park facility. The property was acquired by the City with the knowledge that there was some soil contamination present. The City's intention was to remediate the contaminated property, rehabilitate structures located on the property, and improve the transportation arteries on and around the property in order to create a park that would draw citizens downtown and stimulate economic development in the downtown area. As the City-owned utility began the soil remediation process, they discovered that the soil contamination was more wide-spread than originally projected. This discovery required that the City revisit the remediation process with the pertinent regulatory bodies, with the result that the remediation process took significantly more time than expected. The remediation is now substantially complete, and the park improvements are proceeding.

(c) The Traffic Signal Synchronization Project is a project that has required coordination with multiple agencies, including the Department of Transportation, on planning and permitting issues. These issues, which have delayed the completion of the Project, have now been addressed and the expenditure of project funds is proceeding.

(d) If the \$707,929 of the proceeds of the Refunded Bonds is not fully expended by the date that is 18 months from the date of issuance of the Note, the City will use any remaining proceeds to redeem a portion of the Note.

3. YIELD.

3.1. For purposes of this Certificate, yield means the discount rate that, as of the date of issue of the Note, produces a present value of all the unconditionally payable payments of principal and interest on the Note and fees for qualified guarantees which is equal to the issue price of the Note. The issue price of the Note is determined in the manner provided by Sections 1273 and 1274 of the Internal Revenue Code of 1986, as amended (the "Code") and Treasury Regulation § 1.148-1(b). The yield on the Note is determined without taking into account issuance costs.

3.2. The purchase price of the Note is \$14,715,000.00 which is the price paid by the purchaser. The purchaser has represented that it purchased the Note as an investment and not for resale.

For purposes hereof, yield is, and shall be, calculated on the basis of a 360-day year consisting of twelve 30 day months and with interest compounded semiannually. The yield on the Note (calculated in this manner and as shown on the Schedules hereinafter referred to) is not less than 2.3996%.

3.3 The City will not invest the remaining proceeds of the Note at a yield that exceeds the yield on the Note.

4. SOURCE OF FUNDS

4.1. The cost of redeeming the Refunded Bonds will be financed by the proceeds received from the issuance of the Note as follows:

<u>Sources</u>	<u>Amount</u>
Note Proceeds	\$14,715,000.00
Debt Service Fund for Refunded Bonds	<u>201,056.25</u>
TOTAL:	\$14,916,056.25

5. USE OF FUNDS.

5.1. The proceeds received from the sale of the Note are expected to be needed and fully expended as follows:

<u>Use of Sources</u>	<u>Amount</u>
Redemption of the Refunded Bonds	
Cash Deposit	\$ 2.10
SLG Purchases	14,867,992.00
Costs of Issuance	<u>48,062.15</u>
TOTAL:	\$14,916,056.25

5.2 Proceeds of the Note held by The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") under the Escrow Deposit Agreement between the City and the Escrow Agent for the benefit of the Refunded Bonds shall be applied to pay debt service on the Refunded Bonds prior to October 1, 2015, and to redeem the Refunded Bonds on October 1, 2015. Any amounts used for the payment of costs of issuance of the Note are expected to be expended within 180 days after the date of issuance of the Note. In the best judgment of the Issuer, and based on its prior experiences, all such costs are reasonable. The proceeds of the Note held by the Escrow Agent will be invested at a yield of 0.207057% which yield does not exceed the yield on the Note.

## 6. DEBT SERVICE ACCOUNT.

6.1. The City shall deposit into the Debt Service Account Non-Ad Valorem Revenues actually budgeted and appropriated to pay debt service on the Note.

Amounts deposited into the Debt Service Account will be used to pay the principal of and interest on the Note. It is expected that the amounts deposited in the Debt Service Account will be used primarily to achieve a proper matching of revenues with debt service requirements within each Bond Year for the Note. It is expected that the amounts deposited in the Debt Service Account will be adequate to make all required payments of principal and interest on the Note. At least once each year, the amounts in the Debt Service Account will be used to pay debt service on the Note and will be fully depleted except for reasonable carry-over amounts which will not exceed the greater of one-twelfth of the debt service on the Note for the immediately preceding Bond Year, or earnings on such accounts for the immediately preceding Bond Year.

6.2. The City has elected to treat the receipt and disbursement of funds pursuant to the Resolution on a first-in and first-out method of accounting.

6.3. The City expects that all of the funds described above will be invested in the manner described and set forth in the Investment Letter from Holland & Knight LLP to the City, dated as of the date hereof and included as part of the closing transcript for the Note (the "Investment Letter").

6.4. The City reasonably expects to comply with the instructions set forth in the Investment Letter and to take such other actions as may be necessary to comply with the arbitrage limitations applicable to the Note.

7. MISCELLANEOUS.

7.1. The City does not expect to receive proceeds from the sale or disposition of the facilities financed by the Note in amounts which, together with any accumulated proceeds or earnings thereon or other amounts derived from issuance of the Note, will be sufficient to enable the City to retire the Note at a date which is significantly earlier than the last maturity of principal of the Note.

7.2. The City has not, in this transaction, sold more principal amount of the Note than otherwise would have been sold, sold more in principal amount of the Note than otherwise would have been necessary, or sold the Note sooner or allowed it to remain outstanding longer than otherwise would have been necessary, in order to exploit the difference between a tax-exempt and taxable interest rate, to gain a material financial advantage.

7.3. The City has not created, nor does the City expect to create, any debt service fund or redemption fund, reserve fund or replacement fund or similar fund or account for the payment of principal or interest on the Note, other than the Debt Service Account.

7.4. The City has not experienced revenue flows that would enable it to reasonably expect to redeem or purchase the Note prior to its maturity.

7.5. There are no other obligations of the City which (i) are being sold at substantially the same time as the Note (i.e., within 15 days), (ii) are sold pursuant to the same plan of financing together with the Note, and (iii) will be paid out of substantially the same source of funds (or will have substantially the same claim to be paid out of the same source) as the Note.

7.6. (a) (i) The City represents that the Note will not meet the private business use test of Section 141 of the Code and Section 1.141-3 of the Income Tax Regulations promulgated by the Department of the Treasury (the "Income Tax Regulations"). Except as provided in paragraph 7.6(a)(iv) or paragraph 7.6(b) below, the private business use test is met if more than 10 percent of the property financed or refinanced with Proceeds of the Note is used in the trade or business of a private person (i.e., an entity other than a governmental unit). Any activity carried on by a person other than a natural person is treated as a trade or business. Thus, a lease, sub-lease or other contractual arrangement with a private person with respect to a project could result in the private business test being met.

(ii) In determining whether the Note meets the private business use test, it is necessary to look to both the indirect and direct uses of Proceeds. For example, a facility is treated as being used for a private business

use if it is leased to a governmental unit and then subleased to a private person, provided that the private person's use is in a trade or business. In addition, Proceeds are treated as used in the trade or business of a private person if a private person, as a result of a single transaction or series of related transactions, uses property acquired with the Proceeds of the Note.

(iii) A private person is treated as a private business user of the project as a result of ownership; actual or beneficial use of property pursuant to a lease or a management or incentive pay contract; or certain other arrangements such as take or pay or other output-type contract.

(iv) Pursuant to Section 141 of the Code, if the use of any portion of a facility financed with Proceeds of a bond issue is not related or is disproportionate to the governmental use financed by the issue, 5 percent would be substituted for the 10 percent amount in paragraph 7.6(a)(i) above.

(b) Any contract with a private person to manage or operate any property financed or refinanced by the Note, or any facility comprising a part of such property, will comply with Rev. Proc. 97-13.

7.7. It is not reasonably expected that the payment of more than 10% of the debt service on the Note under the terms of the Resolution or Loan Agreement or pursuant to any underlying arrangement will be secured or paid by any interest in property used or to be used for a private business, or by any interest in payments in respect of property used or to be used for a private business, or be derived from payments in respect of property or borrowed money used or to be used for a private business.

7.8. It is not reasonably expected that the payment of more than 5% of the debt service on the Note under the terms of the Resolution or Loan Agreement or pursuant to any underlying arrangement will be secured or paid by any interest in property used or to be used for a private business use, or by any interest in payment in respect of property used or to be used for a private business use, or will be derived from payments in respect of property or borrowed money used, or to be used for a private business use.

7.9. No portion of the proceeds from the sale of the Note will be used directly or indirectly to make or finance loans.

7.10. (i) The payment of principal or interest with respect to the Note is not guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof); (ii) 5% or more of the proceeds of the Note will not be (A) used in making loans the payment of principal and interest with respect to which are to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), or (B) invested (directly or indirectly) in federally insured deposits or accounts as defined in Section 149(b)(4)(B) of the Code; and (iii) the payment of principal or interest on the Note is not otherwise indirectly

guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

The foregoing provisions of this Section 7.10 shall not apply to (a) proceeds of the Note being invested for an initial temporary period until such proceeds are needed for the purpose for which such issue was issued; (b) investments of a bona fide debt service fund; (c) investments of a reserve which meet the requirements of Section 148(d) of the Code with respect to reasonably required reserve or replacement funds; (d) investments in obligations issued by the United States Treasury; or (e) investments that are held in a refunding escrow (i.e., a fund containing proceeds of a refunding bond issue established to provide for the payment of principal or interest on one or more prior bond issues); or (f) other investments permitted under regulations promulgated pursuant to Section 149(b)(3)(B) of the Code.

7.11. The weighted average maturity of the Note (7.2068 years) does not exceed one hundred and twenty percent (120%) of the weighted average reasonably expected remaining economic life of the Refunded Project (11.8 years), with the average reasonably expected economic life of each component of the Refunded Project being measured from the later of (a) the date hereof, or (b) the date each component is placed in service.

7.12. The City has not entered, and will not enter into, a "hedge" with respect to the Note that it will identify as such on its books and records. A "hedge" is defined as a contract that is entered into to modify the issuer's risk with respect to interest rate changes.

7.13. The City has covenanted to rebate, and will comply with the covenants it has made regarding rebating, certain sums to the United States as provided in accordance with Section 148(f) of the Code and the regulations promulgated thereunder.

7.14. This Certificate is being executed and delivered pursuant to Sections 1.148-1 through 1.148-11 of the Income Tax Regulations to establish the reasonable expectations of the City with regard to the Note.

7.15. To the best of the knowledge, information and belief of the undersigned, on the basis of the facts, estimates and circumstances in existence on the date hereof, the expectations of the City described herein are reasonable, and there are no other facts, estimates or circumstances that would materially change any of the foregoing expectations.

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IN WITNESS WHEREOF, I have hereto set my hand this 14<sup>th</sup> day of February, 2014.

CITY OF GAINESVILLE, FLORIDA

By: M. Q. S. B. J.  
Finance Director

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16334-46

# Holland & Knight

2115 Harden Boulevard | Lakeland, FL 33803 | T 863.682.1161 | F 863.688.1186  
Holland & Knight LLP | [www.hklaw.com](http://www.hklaw.com)

February 14, 2014

City of Gainesville, Florida  
200 E. University Avenue  
Gainesville, Florida 32601

Re: \$14,715,000 City of Gainesville, Florida Refunding Revenue Note, Series 2014

Ladies and Gentlemen:

This letter implements the Certificate Relating to Tax, Arbitrage and Other Matters (the "Tax Certificate") executed by you on the date of issuance of the above-referenced note (the "Note") which is incorporated herein by reference. The Note is being issued under and pursuant to the Constitution and laws of the State of Florida, including Article VIII, Section 1 of the Constitution of the State of Florida; Chapter 166, Florida Statutes; and the Charter of the City; and other applicable provisions of law (collectively, the "Act"), and pursuant to a Resolution adopted by the City Commission of the City of Gainesville (the "City") on February 6, 2014 (the "Resolution"). All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement dated as of February 14, 2014 between the City and TD Bank, N.A. (the "Loan Agreement"). The instructions herein are based in part upon your statements in the Tax Certificate as to your reasonable expectations, so that investment of funds allocable to the Note will comply with the arbitrage and other limitations under Sections 103(b)(2), 148 and 149 of the Internal Revenue Code of 1986, as amended (the "Code"). All capitalized terms used herein, and not otherwise defined herein, shall have the same meaning as provided in the Loan Agreement or the Tax Certificate.

The federal income tax law contains "arbitrage bond" provisions designed to regulate the issuance of tax-exempt bonds motivated by the possibility of obtaining an arbitrage profit through investment of bond proceeds in taxable securities generating a higher yield than the borrowing cost of the tax-exempt bonds. These provisions and the accompanying implementing regulations are quite complex, partly because they attempt to deal with a wide variety of sophisticated financial devices for exploiting the interest rate differential between tax-exempt and taxable securities.

Money is, of course, fungible, and a tax-exempt borrowing could be used indirectly to facilitate investment at an arbitrage profit even though the proceeds of the tax-exempt borrowing might themselves be expended, if that borrowing and that expenditure permitted the retention or accumulation of other uncommitted funds that were invested in taxable securities. Accordingly, the arbitrage bond provisions reach not only the direct investment of bond proceeds, but also situations in which either bond proceeds are indirectly invested at an arbitrage profit or replace

other funds that are invested at an arbitrage profit. Thus, it is necessary that reasonable inferences be drawn by you from the discussion and applicable rules set forth herein.

The Loan Agreement establishes the following accounts: the Debt Service Account.

1. Proceeds of the Note. You have indicated that any proceeds of the Note that will be used to pay costs of issuance will be expended within 180 days from the date of this letter. In addition, the City has represented that the moneys it receives will be expended to redeem its obligations by October 1, 2015. Proceeds of the Note that will be used to redeem the Refunded Bonds may not be invested at a yield that exceeds the yield on the Note. In addition, remaining proceeds of the Refunded Bonds may not be invested at a yield that exceeds the yield on the Note.

2. The Debt Service Account. You have certified in the Tax Certificate that the principal and interest on the Note will be payable solely and only from the Debt Service Account and that at least once a year the moneys deposited in the Debt Service Account will be fully depleted (assuming a first-in, first-out method of accounting), except for a reasonable carry-over amount which will not exceed the greater of one twelfth (1/12th) of the debt service on the Note for the immediately preceding Bond Year or the earnings on such funds for the immediately preceding Bond Year.

Any additional funds deposited into the Debt Service Account that are expected, at the time of deposit, to be used to purchase or redeem Note but are also expected, at that time, to remain in the Debt Service Account for a collective period exceeding thirteen months, may be invested for 30 days from the date of deposit at an unlimited yield and thereafter may not be invested at a yield exceeding the yield on the Note as provided in paragraph 3 below and except as otherwise provided in paragraphs 5, 6, and 7 below.

Moneys held in the Debt Service Account allocable to bonds other than the Note may be invested without regard to the yield on the Note. The yield on the investment of such moneys may be restricted, however, to a yield not materially higher than the yield of the series of bonds to which the moneys are allocable (as described in the Non-Arbitrage Certificate and accompanying investment instructions relating to such series of bonds).

3. Yield. The yield of the Note is the discount rate that, as of their date of issue, produces a present value of all the unconditionally payable payments of principal and interest and the fees for qualified guarantees, if any, paid and to be paid with respect to the Note equal to the issue price of the Note. The issue price of the Note is determined in the manner provided by Sections 1273 and 1274 of the Code and Section 1.148-1(b) of the Income Tax Regulations (the "Regulations").

In computing yield on nonpurpose obligations (such as investments acquired with moneys on deposit in the accounts created by the Loan Agreement) acquired with Gross Proceeds (as defined in paragraph 9 hereof) of the Note, yield is to be calculated by means of an

actuarial method of yield computation whereby "yield" means the yield which, when used in computing the present worth of all payments of principal and interest to be paid on the obligation, produces an amount equal to the purchase price. In addition, yield is to be computed using as the purchase price for a nonpurpose obligation its fair market value at the time it was acquired (or when it becomes allocated to the Note, if later).

Both the yield on the Note and the yield on investments should be computed by the use of semiannual interest compounding and a 360-day year, consisting of twelve 30-day months.

4. Market Price and Prohibited Investments. For purposes of determining yield on an investment, the purchase price of the investment used in determining its yield must be determined by use of one of the following valuation methods on the valuation date:

- a. a plain par investment (as defined in Section 1.148-l(b) of the Regulations) may be valued at its outstanding stated principal amount, plus any accrued interest on that date;
- b. a fixed rate investment, which is any investment whose yield is fixed and determinable on its issue date, may be valued at its present value; and
- c. any investment, other than a yield-restricted investment, may be valued at its fair market value.

Yield restricted investments must be valued at present value. The present value of an investment is computed under the economic accrual method, using the same compounding interval and financial conventions used to compute the yield on the issue. The present value of an investment on a valuation date is equal to the present value of all unconditionally payable receipts to be received from and payments to be paid for the investment after that date, using the yield on the investment as the discount rate. In determining the yield on an investment actually acquired with bond proceeds, the purchase price of the investment may not exceed the fair market value of the investment.

The value of a Nonpurpose Investment (as defined in paragraph 5 below) that is not acquired directly with the proceeds of a bond issue but is subsequently allocated to the proceeds of a bond issue other than by operation of the transferred proceeds rules (such as an existing investment that is deposited into the Debt Service Account) must be valued on the date it is first allocated to the bond issue at its fair market value.

In general, the fair market value of an investment 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 generally is determined on the date on which a contract to purchase or sell the investment becomes binding (i.e., the trade date rather than the settlement

date). The fair market value of a U.S. Treasury obligation that is purchased directly from the United States Treasury is its purchase price. Subject to certain "safe harbor" exceptions for certificates of deposit and guaranteed investment contracts, if an investment is not of a type traded on an established market, it is rebuttably presumed that the acquisition or disposition price of the investment is not equal to its fair market value.

For yield-restricted investments, you should consider, if needed, the acquisition of United States Treasury Certificates of Indebtedness, Notes and Note—State and Local Government Series ("SLGS"), which yield does not materially exceed the yield on the Note. These United States Treasury Obligations are available at the Federal Reserve Bank. The Bureau of Public Debt of the Department of Treasury offers for sale three categories of SLGS: (i) Time Deposit securities, (ii) Demand Deposit securities, and (iii) Special Zero Interest securities.

Attached to this letter is a description of the procedures that should be followed if "certificates of deposit" or "guaranteed investment contracts" are to be purchased with Gross Proceeds of the Note (as defined in Section 9).

5. Nonpurpose Investments and Tax-Exempt Investments. For purposes of this letter, the term "Nonpurpose Investment" means any "investment property" as defined in Section 148(b)(2) of the Code (which definition generally excludes any "tax exempt bond"), in which the Gross Proceeds of the Note are invested and which is not acquired to carry out the governmental purpose of the Note. Notwithstanding any other provisions of this letter, investments allocable to the Note (whether made from proceeds of the Note, earnings, revenues or funds held to pay debt service on, or as security for, the Note), may be invested in obligations, the interest on which is excluded from gross income for federal income tax purposes by Section 103(a) of the Code, without regard to the yield of such obligations, or the Rebate Requirement described in paragraph 8 hereof so long as such obligations are not specified private activity bonds as defined in Section 57(a)(5)(C) of the Code. Specified private activity bonds are those tax-exempt obligations, the interest on which is includable in a bondholder's alternative minimum taxable income. You should note that for purposes of the Rebate Requirement and for yield restriction purposes, that investments in (i) a regulated investment company (to the extent that at least 95% of the income to the holder of the interest is interest that is excludable from gross income under Section 103 of the Code) or (ii) Demand Deposit SLGS, may, in effect, be made without regard to the yield of such investments (assuming such investments will not be investments in "specified private activity bonds").

6. Investment of Minor Portion. Moneys allocable to the Note that are otherwise subject to yield restriction as described in the previous paragraphs may nevertheless be invested at an unlimited yield to the extent that the aggregate sum of funds invested at an unlimited yield which are allocable to the Note (exclusive of amounts that, pursuant to other paragraphs of this letter, may be invested at an unlimited yield), does not exceed \$100,000.

7. Yield Reduction Payments. Under Section 1.148-5(c) of the Regulations, in determining the yield on certain investments, an issuer may pay an amount to the United States which is applied to reduce the yield on that investment. In the event that an investment of funds has a yield in excess of the permitted yield described above, you may, under certain circumstances, make a yield reduction payment in the time and manner described in the Regulations in order to meet the yield limitation.

8. Universal Cap. Nonpurpose Investments (as defined in paragraph 5 above) of the Gross Proceeds (as defined in paragraph 9 below) of the Note are allocated and remain allocated to the Note only to the extent that their value does not exceed the value of the outstanding Note. The value of the outstanding Note is referred to as the Universal Cap. Not taken into account for purposes of the Universal Cap are amounts held in a bona fide debt service fund (typically, a fund or account like the portion of the Debt Service Account from which the City will pay debt service on the Note). The value of the Universal Cap and the value of the Nonpurpose Investments are to be computed as of the second anniversary of the date of issuance of the Note, and as of the first day of each subsequent Bond Year.

Between required dates of computation of the Universal Cap, if some proceeds cease to be allocated to the Note (because, for instance, they are expended), other proceeds that would have been allocated to the Note but for the Universal Cap (for instance, amounts held in the portion of the Debt Service Account from which the City will pay debt service on the Note not expected to be expended within one year of receipt) would then become allocated to the Note. These allocations must be done not less frequently than annually, commencing as of the second anniversary of the date of issuance of the Note.

If Nonpurpose Investment allocated to proceeds of the Note had a value in excess of the Universal Cap, an amount of those investments necessary to eliminate the excess would cease to be allocated to the Note. First, Nonpurpose Investments allocable to replacement proceeds of the Note (that is, revenues deposited in the portion of the Debt Service Account from which the City will pay debt service on the Note) would cease to be allocated to the Note; then Nonpurpose Investments allocated to transferred proceeds of the Note (if any) would cease to be allocated to the Note; and lastly, Nonpurpose Investments acquired with sale or investment proceeds of the Note would cease to be allocated to the Note. However, the Nonpurpose Investments that cease to be allocated to the Note because of the Universal Cap are eligible for allocation to another issue.

9. Rebate Requirement. In addition to the requirements set forth above regarding investment limitations, the Code imposes the Rebate Requirement. Pursuant to the Rebate Requirement, and except as otherwise provided in the Regulations, an amount equal to the sum of (i) the excess of the aggregate amount earned on all Nonpurpose Investments in which Gross Proceeds (defined below) are invested over the amount that would have been earned if such investments had a yield equal to the yield on the Note, plus (ii) any income attributable to the excess described in (i) (the "Rebate Amount"), must be paid to the United States. You have

covenanted in the Loan Agreement to comply with the Rebate Requirement. The Code and Regulations provide three exceptions from the Rebate Requirement that could apply if all of the proceeds of an issue of bonds (including investment earnings thereon) were to be expended within certain time periods. The spending exceptions may be met if (i) the Gross Proceeds of the issue (other than Gross Proceeds in a debt service fund or reserve fund) are expended within 6 months of the date of issue (the "6-month exception"); or (ii) the Gross Proceeds of the issue allocated to expenditures for a particular governmental purpose are expended as follows: at least 15% within 6 months, at least 60% within 12 months and 100% within 18 months (the "18-month exception"); or (iii) the available construction proceeds of a construction issue are expended as follows: at least 10% within 6 months, at least 45 percent with one year, at least 75% within 18 months and 100% within 2 years (the "Two Year Construction Exception").

"Gross Proceeds" of the Note include all proceeds received by you from the sale of the Note and earnings thereon, any amounts to be used to pay debt service on the Note (including amounts deposited in the Debt Service Account) to the extent expected to be used to pay debt service on the Note, and such other funds or investments of which you may be advised from time to time, and amounts received as a result of investing any of the foregoing.

A "Bond Year" is a one-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar year selected by you as the last day of a Bond Year. With respect to the Note, such last day of each Bond Year shall be February 1.

To determine the Rebate Amount as of the end of each Bond Year, the procedures described below should be followed:

(1) With respect to all proceeds from investment of the Note and any other amounts allocable to the Note and such other investments of which you may be advised by Bond Counsel, you shall record the following information: (i) the purchase date of each investment, (ii) the purchase price thereof, (iii) any accrued interest paid, (iv) the face amount of each investment, (v) the coupon rate, (vi) the periodicity of interest payments, (vii) the disposition price, (viii) any accrued interest received, and (ix) the disposition date. To the extent any investment is allocated to the Note, it shall be treated as if it were acquired at its fair market value at that time.

(2) No later than 60 days following (i) the last day of the fifth Bond Year and (ii) the date on which the Note have been discharged (each such date in (i) and (ii) referred to herein as a "determination date" and the last determination date being referred to herein as the "final determination date"), you shall determine the Rebate Amount as of such determination date.

(3) For purposes of computing the Rebate Amount on the Note, receipts on Nonpurpose Investments include amounts actually received with respect to a Nonpurpose Investment; amounts constructively received with respect to a Nonpurpose Investment;

for a Nonpurpose Investment that ceases to be allocated to the Note before its disposition or redemption date or that ceases to be subject to the Rebate Requirement on a date earlier than its disposition or redemption date, the fair market value of that Nonpurpose Investment on such date; and the fair market value of an investment allocated to the Note on the final computation date.

(4) For purposes of computing the Rebate Amount on the Note, the term "payments" means any amounts actually or constructively paid to acquire a Nonpurpose Investment; for a Nonpurpose Investment that is first allocated to the Note on a date after it is actually acquired or that becomes subject to the Rebate Requirement on a date after it is actually acquired, the value of that Nonpurpose Investment on that date; for a Nonpurpose Investment that was allocated to an issue at the end of the preceding computation period, the value of that Nonpurpose Investment at the beginning of the computation period; on the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of the Note that are subject to the Rebate Requirement, and on the final maturity date, a computation credit of \$1,620; and any yield reduction payments under Treas. Reg. section 1.148-5(c).

(5) For purposes of computing the Rebate Amount, the City shall be allowed a Computation Credit on the last day of each Bond Year during which there are amounts allocable to Gross Proceeds of the Note that are subject to the Rebate Requirement, and on the final determination date. The Computation Credit shall be treated as a payment on each such date. The amount of the Computation Credit is \$1,620.

(6) For purposes of computing the Rebate Amount on the Note, the future value of a nonpurpose receipt or payment shall be determined in accordance with Section 1.148-3(c) of the Regulations. Accordingly, the pertinent future value of each receipt received and payment paid on or before the last day of the fifth Bond Year is the future value as of that date of such receipt or payment. The pertinent future value of each receipt received and payment paid during each succeeding five-year period is the future value as of the last day of that succeeding five-year period.

For this purpose, the future value of a nonpurpose receipt or payment is determined by using the yield on the Note as the compounding rate. Under some circumstances, the yield on the Note must be recomputed as of a determination date or installment computation date.

(7) The sum of amounts earned in a bona fide debt service fund for the Note to the extent entitled to be invested without regard to yield restriction, and amounts earned on such amounts, if allocated to such funds, shall not be taken into account for purposes of determining the Rebate Amount.

The Rebate Amount shall be paid to the United States in installments. The first payment shall be made not later than sixty (60) days after the end of the fifth Bond Year; each subsequent payment must be made not later than sixty (60) days after the next succeeding fifth Bond Year. Each payment must be in an amount not less than ninety percent (90%) of the Rebate Amount as of the close of the last Bond Year prior to payment. The full Rebate Amount must be paid to the United States within sixty (60) days after the final determination date. All payments shall be made to the Internal Revenue Service Center, Ogden, Utah, 84201, and must be accompanied by Form 8038-T.

As mentioned above, there are certain rules that may permit all or a portion of the Gross Proceeds of the Note to be excluded from the Rebate Requirement. The Two-Year Construction Exception, the 18-month exception, and the 6-month exception, described below, may apply to the Note.

If the spending requirements for the portion, if any, of the Note that constitute a Construction Issue (as hereinafter defined) are met, then the Available Construction Proceeds of such Construction Issue are not treated as Gross Proceeds subject to the Rebate Requirement described above (the "Two-Year Construction Exception"). The term "Available Construction Proceeds" means the issue price of the Note, plus earnings on the issue price, less the portion of the issue price deposited in the Reserve Account and the portion used to pay costs of issuance of the Note.

A tax-exempt bond issue will constitute a Construction Issue if at least 75 percent of the Available Construction Proceeds of the bonds are to be used for "construction" expenditures with respect to property owned by a governmental unit or by an organization exempt from tax pursuant to Section 501(c)(3) of the Code. The term "construction" includes reconstruction and rehabilitation. As a general rule, "construction expenditure" is defined in Section 1.148-7(g) of the Regulations, to be those that are properly chargeable to, or may be capitalized as part of, the basis of real property or constructed personal property, except expenditures for the acquisition of real property.

The Note may be eligible for the 18-month or 6-month exception to rebate. With respect to the 18-month exception, the proceeds derived from the sale of the Note together with earnings thereon for 18 months, but exclusive of amounts in the Composite Reserve Account, must be allocated to expenditures as follows: (i) at least 15% within 6 months from the date hereof; (ii) at least 60% within 12 months from the date hereof; and (iii) 100% within 18 months except for a reasonable retainage which must be allocated to expenditures within 30 months from the date hereof. In the case of the 6-month exception, the proceeds derived from the sale of the Note together with earnings thereon for 6 months, must be allocated to expenditures within 6 months.

Since the City's bonds will be redeemed on October 1, 2015, the final rebate calculation for such bonds will be due prior to November 30, 2015. Any proceeds of the City's

bonds that remain unexpended on October 1, 2015, will become transferred proceeds of the Note on such date and will be subject to rebate with respect to the Note.

Since the proceeds of the Note will not be expended prior to October 1, 2015, the Note will not meet any of the exceptions to arbitrage rebate.

10. Subsequent Hedges. After the date of this letter, the City may decide to enter into an interest rate swap, an interest rate cap or some other contract (collectively, a "Hedge") to modify its risk of interest rate changes with respect to the Note. Under certain circumstances, the net payments paid or received with respect to a Hedge will affect the Yield on bonds such as the Note.

The Regulations set forth a comprehensive and complicated set of rules and procedures that must be met before the net payments paid or received pursuant to a Hedge may be taken into account in determining the Yield on bonds such as the Note. The Regulations also provide that the Commissioner of the Internal Revenue Service, in certain circumstances, may treat a Hedge as a "Qualified Hedge," which would affect the Yield on bonds such as the Note, or as a "Non-qualified Hedge," which would not affect the Yield on bonds such as the Note. Accordingly, the City should contact Holland & Knight LLP should it decide to enter into a Hedge with respect to the Note.

We have attempted to describe in this letter only the basic arbitrage limitations that you are likely to encounter in managing funds under the Loan Agreement. Holland & Knight should be consulted if circumstances not expressly addressed in this letter arise. You should also consult Holland & Knight before acquiring SLGS or in making Yield Reduction Payments so that the circumstances requiring yield restriction can be verified and that the exact yield can be determined. Please note that the information contained herein has been compiled as of the date hereof and is subject to change with changes in law.

Sincerely yours,

HOLLAND & KNIGHT LLP

*Holland & Knight LLP*

## ATTACHMENT

### PROCEDURES TO BE FOLLOWED ON PURCHASE OR SALE OF NON-PURPOSE INVESTMENTS

#### A. In General

Section 1.148-5(d)(6) of the Regulations provides the general rule that fair market value of a Non-purpose Investment 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 determined on the date on which a contract to purchase or sell the Non-purpose Investment becomes binding. Except as otherwise provided, a Non-purpose Investment that is not of a type traded on an established securities market, within the meaning of Section 1273 of the Code, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

This section of the Regulations provides safe harbors (i) for establishing the fair market value of Certificates of Deposits, and (ii) for establishing the fair market value of Guaranteed Investment Contracts.

#### B. Certificate of Deposits

Section 1.148-5(d)(6) of the Regulations applies to 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 the purchase date if the yield on the Certificate of Deposit is not less than:

- (i) the yield on reasonably comparable direct obligations of the United States; and
- (ii) 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.

#### C. Guaranteed Investment Contracts

The purchase price of a Guaranteed Investment Contract will be treated as the fair market value of the Non-purpose Investment on the purchase date if all of the following requirements are satisfied:

- (i) The borrower makes a bona fide solicitation for the purchase of the Guaranteed Investment Contract. A bona fide solicitation is a solicitation that satisfies all of the following requirements:
  - (a) The bid specifications are in writing and are timely forwarded to potential providers.

(b) The bid specifications include all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the Guaranteed Investment Contract.

(c) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the borrower or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the borrower or any other person for purposes of satisfying the requirements of Section 1.148-5(d)(6) of the Regulations.

(d) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the investment.

(e) The terms of the solicitation take into account the borrower's reasonably expected deposit and drawdown schedule for the amounts to be invested.

(f) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (*i.e.*, a last look) before providing a bid.

(g) At least three (3) reasonably competitive providers are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.

(ii) The bids received by the borrower meet all of the following requirements:

(a) The borrower receives at least three (3) bids from providers that the borrower solicited under a bona fide solicitation meeting the requirements of Section 1.148-5(d)(6) of the Regulations and that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until fifteen (15) days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(b) At least one (1) of the three (3) bids is from a reasonably competitive provider as described above.

(c) If the borrower uses an agent to conduct the bidding process, the agent did not bid to provide the Guaranteed Investment Contract.

(iii) The winning bid is the highest yielding bona fide bid (determined net of any broker's fees).-

(iv) The obligor on the Guaranteed Investment Contract certifies the administrative costs that it pays (or expects to pay) if any to third parties in connection with supplying the Guaranteed Investment Contract.

(v) The borrower retains the following records with the bond documents until three (3) years after the last outstanding bond is redeemed:

(a) A copy of the contract.

(b) The receipt or other record of the amount actually paid by the borrower for the Guaranteed Investment Contract, including a record of any administrative costs paid by the borrower, and the certification described above.

(c) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(d) The bid solicitation form and, if the terms of the Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

#### **D. Qualified Administrative Costs**

Qualified administrative costs may be taken into account with respect to investments of Gross Proceeds. Thus, qualified administrative costs increase the payments for, or decrease the payments from, nonpurpose investments, such as Guaranteed Investment Contracts. "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 issuer such as employee salaries and office expenses and costs associated with computing the rebate amount are not qualified administrative costs. In general, administrative costs are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or a reasonably comparable investment if acquired with a source of funds other than Gross Proceeds of tax-exempt bonds. For an investment contract or for a Yield restricted defeasance escrow, a broker's commission or similar fee paid by or on behalf of either an issuer or the provider is treated as a qualified administrative cost to the extent that (i) the fee does not exceed the lesser of \$30,000 and 0.2 percent of the "computational base" (but not less than \$3,000) where "computational base" means (A) for a guaranteed investment contract, the Gross Proceeds that the issuer reasonably expects as of the date the contract is acquired, to be deposited in the guaranteed investment contract over the term of the contract and (B) for Yield restricted defeasance escrows, the amount of Gross Proceeds initially invested in those investments; and (ii) for any issue, the fees paid in connection with the investment of Gross Proceeds of the Note with respect to brokers' commissions or similar fees, do not exceed \$85,000 in the aggregate. In the case of a calendar year after 2004, each of the dollar amounts set forth above shall be increased by an amount equal to such dollar amount multiplied by the cost of living adjustment for such calendar year as set forth in Section 1.148-5(e)(2)(iii)(B)(3)-(6) of the Income Tax Regulations. A broker's commission or similar fee in excess of the amounts described in the preceding two sentences may be treated as a qualified administrative cost based upon the advice of Bond Counsel. In the case of publicly offered regulated investment companies and a

commingled fund in which the issuer and related parties do not own more than 10 percent of the beneficial interest, all reasonable administrative costs including indirect costs are taken into account. This 10 percent requirement for commingled funds is satisfied if (i) based on average amounts on deposit, the requirement was satisfied for the prior semiannual period, and (ii) the fund does not accept deposits that would cause it to fail to meet the 10 percent requirement.

**E. Certificates**

Attached are certificates that should be used if Certificates of Deposit or Guaranteed Investment Contracts are purchased.

**EXHIBIT 1**

**FORM OF PROVIDER CERTIFICATION FOR  
A CERTIFICATE OF DEPOSIT**

I, [Name], [Position], of [Entity Providing the Certificate of Deposit] (the "Provider") HEREBY CERTIFY that the yield on the Certificate of Deposit entered into on [DATE] for the [PARTY] is not less than the highest yield that the Provider publishes or posts for comparable Certificates of Deposit offered to the public and that the yield on the Certificate of Deposit is not less than the yield available on reasonably-comparable direct obligations offered by the United States Treasury.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of

\_\_\_\_\_

By \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT 2

### FORM OF PROVIDER CERTIFICATION FOR A GUARANTEED INVESTMENT CONTRACT

I, [Name], [Position], of [Entity Providing Investment Contract] (the "Provider")  
HEREBY CERTIFY in connection with the Guaranteed Investment Contract between [PARTY]  
and the Provider dated as of \_\_\_\_\_, \_\_\_\_ (the "Agreement") that:

(a) the yield on the Agreement is at least equal to the yield offered by the  
Provider on the date the Provider offered to enter into the Agreement on reasonably comparable  
investment contracts offered to other persons, if any, funded from a source of funds other than  
gross proceeds of an issue of tax-exempt bonds;

(b) neither the Provider nor any related party has a material interest in the tax-  
exempt bonds being issued by the [ ] (the "Issuer") in connection with  
the purchase of the Agreement other than as provider of the Agreement;

(c) the Provider has not been afforded the opportunity to review bids to the  
Issuer from other providers before making its bid to the Issuer;

(d) the Provider did not consult with any other potential provider about its bid;

(e) the Provider's bid was determined without regard to any other formal or  
informal agreement, other than the Request to Provide an Investment Agreement, that the  
Provider has with the Issuer or any other person (whether or not in connection with the bonds  
being issued by the Issuer);

(f) the Provider's bid was not submitted solely as a courtesy to the Issuer or to  
any other person for purposes of satisfying the bidding requirements of Section 1.148-  
5(d)(6)(iii)(B)(1) or (2) of the U.S. Treasury Regulations relating to the yield and valuation of  
investments in connection with tax-exempt bonds:

(g) apart from the Request to Provide an Investment Agreement, we did not  
receive any information from [ ] that induced us to bid a lower yield than we would otherwise  
have bid;

(h) the Provider has established an industry reputation as a competitive  
provider of agreements such as the Agreement;

(i) the amount of administrative costs that are reasonably expected to be paid  
by the Provider to third parties in connection with the Agreement is \$[ ] plus the normal and

customary fees of counsel to the Company. For purposes of this certification, administrative costs include all brokerage or selling commissions paid by the Provider to third parties in connection with the Agreement, legal or accounting fees, investment advisory fees, recordkeeping, safekeeping, custody and other similar costs or expenses; and

(j) in the Provider's experience, the relationship between the broker's fee to be paid to [ ] and the amount to be invested under the Agreement is comparable to the relationship between the broker's fee the Provider has paid in other similar transactions and the amount invested in each of those transactions.

We understand that this Certificate will be relied upon in reaching the conclusion that the yield on the Note can be computed on the basis of the price paid for the Agreement, and that the Note is not an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of

\_\_\_\_\_.

By \_\_\_\_\_  
Title: \_\_\_\_\_

### EXHIBIT 3

#### FORM OF BORROWER CERTIFICATION FOR A GUARANTEED INVESTMENT CONTRACT INVOLVING THREE BIDS

I, [Name], [Position] of [PARTY] (the "Borrower"), HEREBY CERTIFY in connection with the Guaranteed Investment Contract between the borrower and [Entity Providing Investment Contract] (the "Provider") dated as of \_\_\_\_\_, \_\_\_\_ (the "Guaranteed Investment Contract") that (i) at least three bids on the Guaranteed Investment Contract were received from persons other than those with a material financial advantage in the [name of bond issue], (ii) the yield on the Guaranteed Investment Contract purchased is at least equal to the yield offered under the highest bid received from an uninterested party, (iii) the price of the Guaranteed Investment Contract takes into account as a significant factor the borrowers expected drawdown for the funds to be invested (other than float funds or reasonably required reserve or replacement funds), and (iv) all of the requirements of Section 1.148-5(d)(6) of the Regulations have been satisfied.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_,

[PARTY]

By \_\_\_\_\_  
Title: \_\_\_\_\_

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16334-46

800 17th Street, NW, Suite 1100 | Washington, DC 20006 | T 202.955.3000 | F 202.955.5564  
Holland & Knight LLP | [www.hklaw.com](http://www.hklaw.com)

John E. Theberge  
202 862 5968  
[john.theberge@hklaw.com](mailto:john.theberge@hklaw.com)

February 14, 2014

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

Internal Revenue Service Center  
Ogden, Utah 84201


Re: Form 8038-G for City of Gainesville, Florida Refunding Revenue  
Note, Series 2014

Ladies and Gentlemen:

Enclosed herewith for filing with you is an original copy of Form 8038-G pertaining to the above-referenced bond issue. The City of Gainesville, Florida is filing the enclosed Form 8038-G in accordance with the provisions of Section 149(e) of the Internal Revenue Code of 1986, as amended. If you have any questions, please contact the undersigned.

Sincerely yours,

HOLLAND & KNIGHT LLP



John E. Theberge

JET/lcm  
#27146690\_v1  
16334-46

# 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 <b>City of Gainesville, Florida</b>		2 Issuer's employer identification number (EIN) <b>596000325</b>
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) <b>200 East University Avenue</b>	Room/suite	5 Report number (For IRS Use Only) <b>3</b>
6 City, town, or post office, state, and ZIP code <b>Gainesville, Florida 32601</b>		7 Date of issue <b>February 14, 2014</b>
8 Name of issue <b>Refunding Revenue Note, Series 2014</b>		9 CUSIP number <b>N/A</b>
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <b>Mark S. Benton, Finance Director</b>		10b Telephone number of officer or other employee shown on 10a <b>352-393-8767</b>

## 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		
18 Other. Describe ► <u>capital improvements</u>	18	14,715,000	00
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	10/01/2025	\$ 14,715,000	\$ 14,715,000	7.2068 years	2.3996 %

## 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	14,715,000	00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	48,062	15
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	0	00
28 Proceeds used to advance refund prior issues	28	14,666,937	85
29 Total (add lines 24 through 28)	29	14,715,000	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	►	N/A	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	7.4754	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	October 1, 2015	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	November 30, 2005	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

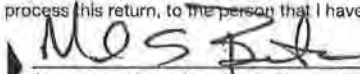
Form **8038-G** (Rev. 9-2011)

**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 . . . . . ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . . ☐
- 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 . . . . . ☐
- 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 . . . . . ☒
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . . ☒
- 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

2/14/2014

Date

Mark S. Benton, Finance Director

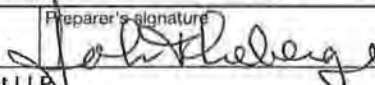
Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name

John E. Theberge

Preparer's signature



Date

2/14/2014

Check ☐ if self-employed

PTIN

P01324864

Firm's name ▶ Holland &amp; Knight LLP

Firm's EIN ▶ 590663819

Firm's address ▶ 800 17th Street N.W., Suite 1100, Washington, D.C. 20006

Phone no. 202-862-5968

TAX CERTIFICATE OF BANK

The undersigned (the "Bank") hereby certifies that it has acted as lender in connection with that certain Refunding Revenue Note, Series 2014 dated February 14, 2014, issued by the City of Gainesville, Florida (the "City") in a principal amount of \$14,715,000 (the "Note") for the purpose of advance refunding the City's Capital Improvement Revenue Bonds, Series 2005, maturing on October 1 of the years 2016 through 2025. The undersigned represents as follows:

1. The undersigned individual is duly authorized to act on behalf of the Bank to provide this Certificate, and the Bank is experienced in the placement and funding of loans such as the loan evidenced by the Note.

2. The Note is being acquired directly by the Bank from the City, without any intermediary. The Note is being acquired by the Bank as an investment and not with a current view toward resale. The interest rate on the Note was negotiated pursuant to an arms-length transaction. In the opinion of the undersigned, the fair market value of the Note is at least equal to the stated principal amount of the Note. The full principal amount of the Note will be advanced by the Bank on this date to the City.

Dated: February 14, 2014

TD BANK, N.A.

By:   
Name: Coley Jones  
Title: Vice President

CERTIFICATE OF DELIVERY AND PAYMENT  
AND APPLICATION OF FUNDS

We, the undersigned, Finance Director and Clerk of the Commission of the City of Gainesville, Florida (the "City"), DO HEREBY CERTIFY as follows:

1. All terms used herein in capitalized form and not otherwise herein defined shall have the same meanings as ascribed to those terms in the Loan Agreement dated as of February 14, 2014 (the "Loan Agreement") between the City and TD Bank, N.A. (the "Bank").

2. On the date hereof, there was delivered to the Bank the City's Refunding Revenue Note, Series 2014 dated February 14, 2014, in a principal amount of \$14,715,000 (the "Note"). The Note bears interest and matures as described therein.

3. On the date hereof there was received from the Bank full payment for the Note in the amount of \$14,709,750 (\$14,715,000.00 representing the purchase price of the Note, less \$5,250.00 withheld by the Bank to pay the fees of its counsel).

4. On the date hereof, proceeds of the Note in the amount of \$14,666,937.85, together with funds of the City in the amount of \$201,056.25, were deposited into an Escrow Deposit Fund established in the Escrow Deposit Agreement dated as of February 14, 2014 between the City and The Bank of New York Mellon Trust Company, N.A., to be applied to pay the outstanding principal and accrued interest on the Issuer's Capital Improvement Revenue Bonds, Series 2005, and the balance of \$48,062.15 of proceeds of the Note is to be applied by the City to pay the costs of issuance of the Note.

IN WITNESS WHEREOF, we have hereunto set our hands this 14<sup>th</sup> day of February, 2014.



Finance Director



Clerk of the Commission

RECEIPT FOR NOTE

TD Bank, N.A. (the "Bank") DOES HEREBY ACKNOWLEDGE receipt from the City of Gainesville, Florida (the "City") of the City's Refunding Revenue Note, Series 2014, dated February 14, 2014 in a principal amount of \$14,715,000 and with a final maturity date of October 1, 2025, which Note is being issued by the City under that certain Loan Agreement dated as of February 14, 2014, between the City and the Bank.

DATED this 14<sup>th</sup> day of February, 2014.

TD BANK, N.A.

By: 

Name: Coley Jones

Title: Vice President



CITY OF GAINESVILLE  
OFFICE OF THE CITY ATTORNEY

200 East University Avenue, Suite 425  
Gainesville, Florida 32601  
(352) 334-5011 • (352) 334-2229 Fax

Mail: Post Office Box 490, Station 46  
Gainesville, Florida 32627

Nicolle M. Shalley ♦  
City Attorney

Lisa C. Bennett  
Lee C. Libby  
Stephanie M. Marchman  
Sean M. McDermott  
Shayla L. McNeill\*  
Daniel M. Nee ♦  
Elizabeth A. Waratuke ♦

14.

February 14, 2014

Holland & Knight LLP  
Lakeland, Florida

TD Bank, N.A.  
Jacksonville, Florida

Re: City of Gainesville, Florida Refunding Revenue Note, Series 2014

Ladies and Gentlemen:

The undersigned, as City Attorney for the City of Gainesville, Florida (the "City"), has served as counsel to the City in connection with the issuance by the City of its Refunding Revenue Note, Series 2014 dated February 14, 2014 (the "Note"), in a principal amount of \$14,715,000 under the terms of the Loan Agreement dated as of February 14, 2014 (the "Loan Agreement") between the City and TD Bank, N.A. (the "Bank"), and as authorized by Resolution No. 130549 adopted by the City on February 6, 2014 (the "Resolution"). All terms used herein in capitalized form and not otherwise defined herein shall have the same meaning as ascribed to them, or as referenced, in the Loan Agreement and the Note.

I am the duly appointed City Attorney for the City. In that capacity, I have examined all proceedings of the City in connection with the Loan Agreement and the Note. I have also made such investigation and have examined such ordinances, resolutions, certificates, documents, public records and proceedings, in each case, as I have deemed relevant and necessary in connection with the opinions expressed below. I am of the opinion that:

1. The City is a municipal corporation of the State of Florida, duly created and organized and validly existing under the laws of the State of Florida, and has full legal right, power and authority to adopt and perform its obligations under the Resolution and to authorize, execute, deliver, and to perform its obligations under, the Loan Agreement, the Note and the Escrow Deposit Agreement dated as of February 14, 2014 (the "Escrow Deposit Agreement") between the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent.

2. The Resolution has been duly and lawfully adopted by the City at a meeting duly noticed, called and held and at which a quorum was present and voting throughout, and the Resolution has not been modified after its date of adoption. The Resolution remains in full force and effect as of the date hereof and no event has occurred that constitutes or would, with the passage of time and the giving of notice, give rise to a breach of the covenants contained therein or a default or inability of the City to perform thereunder.

♦ Board Certified City, County & Local Government Law

\* Utilities Legal Services  
Post Office Box 147117, Station A-138  
Gainesville, Florida 32614  
(352) 393-1010 • (352) 334-2277 Fax

3. The Note has been duly and validly issued and delivered in accordance with all requirements of Florida law, and the City has full power and authority to issue, execute and deliver the Note and to execute and deliver the Loan Agreement, the Escrow Deposit Agreement and each agreement or document provided for or contemplated by the Note, the Loan Agreement, the Escrow Deposit Agreement or the Resolution. The Note, the Loan Agreement and the Escrow Deposit Agreement have been duly authorized, executed and delivered by the City, are in full force and effect, and the Resolution, the Note, the Loan Agreement and the Escrow Deposit Agreement (assuming the due execution and delivery of the Loan Agreement and Escrow Deposit Agreement by, and the enforceability against, the other party thereto) constitute valid and legally binding obligations of the City, enforceable in accordance with their respective terms, provided, however, that the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and to general principals of equity.

4. The City has lawful authority to pledge the Pledged Funds in the manner provided in the Loan Agreement as security for the Note and such pledge constitutes a valid and binding pledge of the Pledged Funds for the payment of the Note. The Note is a limited obligation of the City payable from and secured by a pledge of and lien on the Pledged Funds identified in the Loan Agreement, in accordance with the terms of the Loan Agreement. Neither the general credit nor the taxing power of the City, the State of Florida or any subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Note.

5. To the best of my knowledge, all authorizations, approvals, consents and orders of governmental bodies or regulatory authorities that are required in connection with authorization, adoption, execution, performance or delivery by the City of the Note, the Resolution, the Loan Agreement, the Escrow Deposit Agreement and all other agreements or documents provided for or contemplated by the Resolution for the execution and delivery of the Loan Agreement and the Escrow Deposit Agreement and for the execution, issuance, sale and delivery of the Note have been obtained or effected and are in full force and effect.

Notwithstanding the foregoing, the City Attorney does not pass upon the applicability of any approvals, consents and orders as may be required under the Blue Sky or securities laws or legal investment laws of any state in connection with the offering and sale of the Note or in connection with the registration of the Note under the federal securities laws.

6. To the best of my knowledge, after reasonable inquiry, the adoption of the Resolution and the authorization, execution, delivery and performance of the Note, the Loan Agreement and the Escrow Deposit Agreement, do not violate any applicable judgment or order of any court and do not conflict with or result in a material breach of or default under any constitutional provision or law, or any administrative regulation, judgment or decree to which the City has actual notice, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City or any of its property or assets is otherwise subject, nor do such actions result in any violation of the provisions of any ordinance, resolution or indenture of the City or any order, rule or regulation applicable to the City of any court or of any federal, state or other regulatory authority or governmental body having jurisdiction over the City or any federal statute, order, rule or regulation applicable to the City, nor will such actions result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as expressly provided by the Note, the Loan Agreement and the Escrow Deposit Agreement.

7. Except as has been disclosed to the Bank, there is no action, suit, inquiry, investigation or proceeding pending or, to the best of my knowledge, threatened, at law or in equity, in any court, or before or by any government agency, public board or body against or affecting the City, nor to the best of my knowledge is there any basis for any such action, suit, inquiry, investigation or proceeding, in which an unfavorable decision, ruling or finding would restrain or enjoin the issuance or delivery of the Note or the Loan Agreement and the Escrow Deposit Agreement or the validity of the Resolution, or which would materially adversely affect the transactions contemplated by the Resolution, the Loan Agreement, the Escrow Deposit Agreement, the Note or any other agreements or documents provided for or contemplated by the Note, the Loan Agreement or the Escrow Deposit Agreement or contesting the exclusion from gross income of interest on the Note, and no such litigation is pending, or to the knowledge of the undersigned threatened against the City involving any of the property or assets under the control of the City which involve the possibility of any judgment or liability not fully covered by insurance or adequate, established reserves and which may result in any material adverse change in the properties, assets or in the condition, financial or otherwise, of the City or its ability to pay the Note, other than routine litigation of the type normally accompanying operations of the City and which will not have a materially adverse effect upon the condition of the City or the matters provided for or contemplated by the Resolution.

The City Attorney is furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Sincerely yours,



Nicolle M. Shalley  
City Attorney

February 14, 2014

City of Gainesville, Florida  
Gainesville, Florida

TD Bank, N.A.  
Jacksonville, Florida

Re: \$14,715,000 City of Gainesville, Florida Refunding Revenue  
Note, Series 2014

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the City of Gainesville, Florida (the "Issuer") of its Refunding Revenue Note, Series 2014 (the "Note"), pursuant to the terms of the Loan Agreement dated as of February 14, 2014 (the "Loan Agreement"), between the Issuer and TD Bank, N.A. (the "Bank"). All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them or referenced in the Loan Agreement and the Note.

The Note is dated the date of its issuance and delivery, has been issued in fully registered form and bears interest as provided therein payable on each April 1 and October 1, commencing April 1, 2014, at the rate as provided in the Note and matures on October 1, 2025.

Pursuant to the Loan Agreement, the principal of, premium, if any, and interest on the Note shall be payable from and secured by a lien upon and pledge of the Pledged Funds as provided in the Loan Agreement. "Pledged Funds," as used in the Loan Agreement, means the Non-Ad Valorem Revenues budgeted and appropriated and deposited into the Debt Service Account under the Loan Agreement to pay debt service and other amounts due and payable on the Note and all funds on deposit in the Debt Service Account (including all investment securities on deposit therein) and all investment earnings on any such funds.

In no event shall the Note or any interest thereon be payable from the ad valorem tax revenues of the Issuer. The Note and the obligations evidenced thereby do not constitute a general liability or obligation of the Issuer or the State of Florida or any political subdivision or agency thereof, or a pledge of the faith and credit or taxing power of the Issuer, the State of Florida or any political subdivision thereof. In no event shall the Note or the interest thereon be payable out of any funds or

property other than those of the Issuer and then only to the extent of the Pledged Funds in the manner expressly provided in the Loan Agreement.

The description of the Note and other statements concerning the terms and conditions of the issuance of the Note in this opinion do not purport to set forth all of the terms and conditions of the Note or any other document relating to the issuance thereof, but are intended only to identify the Note and to describe briefly certain features thereof. This opinion shall not be deemed or treated as an offering circular, prospectus or official statement, and is not intended in any way to be a disclosure document used in connection with the sale or delivery of the Note.

In rendering the opinions set forth below, we have examined a certified copy of a Resolution adopted by the City Commission of the Issuer on February 6, 2014, related to the Loan Agreement and the Note, an executed original of the Loan Agreement and the Note and various other agreements, certificates and opinions delivered in connection therewith, and are relying on the covenants and agreements of the Issuer contained therein, including, without limitation, the covenant of the Issuer to comply with the applicable requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations thereunder, to the extent necessary to preserve the exclusion of interest on the Note from gross income for federal income tax purposes.

We have also examined certified copies of the proceedings of the Issuer, and other information submitted to us relative to the issuance and sale by the Issuer of the Note. In addition, we have examined and relied upon the opinion of even date herewith of Nicolle M. Shalley, Attorney to the Issuer, as to the due organization and valid existence of the Issuer, the due adoption of the Resolution, and the due authorization, execution and delivery of the Note and the Loan Agreement and all other documents associated with the issuance of the Note and compliance by the Issuer with all conditions precedent to the issuance of the Note. We have examined and relied upon such other agreements, documents and opinions, including certificates and representations of public officials, and other officers and representatives of various parties participating in this transaction as we have deemed relevant and necessary in connection with the opinions set forth below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, documents, certificates, representations and opinions, and have relied solely on the facts, estimates and circumstances described and set forth therein.

In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. 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 upon and subject to the foregoing, we are of the opinion that, as of the date hereof and under existing law:

(1) The Issuer is a municipal corporation, duly organized and validly existing under the laws of the State of Florida.

(2) The Loan Agreement constitutes a valid and binding obligation of the Issuer, enforceable in accordance with its terms.

(3) The Note is a valid and legally binding special obligation of the Issuer, payable solely from and secured solely by a lien on and pledge of the Pledged Funds, in the manner and to the extent provided in the Loan Agreement.

(4) Under existing law, the interest on the Note is excluded from gross income for federal income tax purposes and will not be treated as an item of tax preference for purposes of the federal alternative minimum tax; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on such corporations.

The opinions expressed in the preceding paragraph do not relate to any late payment fees or other penalties paid under the Note and are conditioned upon compliance by the Issuer with its covenants relating to certain arbitrage rebate and other tax requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code (including, without limitation, its covenants not to use any proceeds of the Note in a manner that would cause the Note to be classified as a private activity bond under Section 141(a) of the Code and the requirements contained in Section 148 of the Code), to the extent necessary to preserve the exclusion of interest on the Note from gross income for federal income tax purposes. Failure of the Issuer to comply with such requirements could cause the interest on the Note to be included in gross income for federal income tax purposes retroactive to the

date of issuance of the Note. Other provisions of the Code may give rise to adverse federal income tax consequences to particular noteholders. The scope of this opinion is limited to matters addressed above and no opinion is expressed hereby regarding other federal tax consequences that may arise due to ownership of the Note.

(5) The Note is not subject to the registration requirements of the Securities Act of 1933, as amended, and the Loan Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended.

In rendering the opinions expressed herein, we have relied upon all schedules furnished to us by Public Financial Management, Inc., including those illustrating the sufficiency of the cash flow from investments held in the Escrow Deposit Fund (the "Escrow Deposit Fund") created under the Escrow Deposit Agreement dated as of February 14, 2014, between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent, to pay the debt service on the Refunded Bonds and those calculating the yield on the Refunded Bonds and the securities to be deposited in the Escrow Deposit Fund. We have also relied upon the report of Robert Thomas CPA, LLC verifying the accuracy of the schedules prepared by Public Financial Management, Inc., including its calculation of the sufficiency of the cash flow from the securities held in the Escrow Deposit Fund to pay the debt service on the Refunded Bonds and its calculation of yields on the Refunded Bonds and the securities to be deposited in the Escrow Deposit Fund.

Our opinions expressed herein are predicated upon current facts and circumstances and upon present laws and interpretations thereof, and we assume no affirmative obligation to update the opinions expressed herein if such facts or circumstances or laws or interpretations thereof change after the date hereof, even if such changes come to our attention.

All opinions as to legal obligations of the Issuer set forth above are subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditors' rights, (b) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief, and (c) judicial discretion which may be exercised in applicable cases to adversely affect the enforcement of certain rights or remedies.

The scope of our engagement in relation to the issuance of the Note has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein. We have not been engaged nor have we undertaken to confirm or verify and therefore express no opinion as to the compliance by the Issuer or the

City of Gainesville, Florida  
TD Bank, N.A.  
February 14, 2014  
Page 5

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Bank with any federal or state registration requirements or securities statutes, regulations or rulings with respect to the offer, sale or distribution of the Note.

Our opinion is limited solely to the matters stated herein, and no opinion is to be implied or is intended beyond the opinions expressly stated herein. Except with respect to the Issuer, delivery of this letter does not create an attorney-client relationship.

Sincerely yours,

HOLLAND & KNIGHT LLP

A handwritten signature in blue ink, appearing to read "Holland & Knight LLP", is written over the printed firm name.

#27147301\_v4  
16334-46

February 14, 2014

City of Gainesville, Florida  
Gainesville, Florida

TD Bank, N.A.  
Jacksonville, Florida

Re: Refunding of City of Gainesville, Florida Capital Improvement Revenue Bonds, Series 2005 maturing on October 1 of the years 2016 through 2025 (the "Refunded Bonds")

Ladies and Gentlemen:

We have acted as bond counsel to the City of Gainesville, Florida (the "Issuer") in connection with the issuance of the Issuer's Refunding Revenue Note, Series 2014 (the "2014 Note") and have reviewed the Escrow Deposit Agreement dated as of February 14, 2014 (the "Escrow Agreement"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent"). All terms used herein in capitalized form and not otherwise defined herein, shall have the same meanings as ascribed to them under the terms of the Escrow Agreement.

In rendering the opinions set forth below, we have examined an original executed counterpart of the Escrow Agreement, and a certified copy of Resolution No. 020918 adopted by the City Commission of the Issuer on February 24, 2003, as supplemented by Resolution No. 020919 on February 24, 2003, as amended by Resolution No. 040032 on June 14, 2004, as further supplemented by Resolution No. 050128 on June 27, 2005, and as further supplemented and amended by Resolution No. 050532 adopted on October 24, 2005 (collectively, the "Refunded Bond Resolution"), pursuant to which the Refunded Bonds were issued. In addition to the foregoing, we have examined and relied upon such other agreements, certificates and documents, including certificates and representations of the Escrow Agent and of public officials and other officers and representatives of the various parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions expressed below.

The opinions expressed herein are supplemental to and are subject to all qualifications and limitations contained in our bond counsel opinions rendered to the Issuer as of the date hereof pertaining to the 2014 Note.

Based and in reliance upon the schedules furnished to us by Public Financial Management, Inc. (the "Financial Advisor"), including those illustrating the sufficiency of the cash flow from investments held in the Escrow Deposit Fund established pursuant to the Escrow Agreement to pay debt service on the Refunded Bonds, the report of Robert Thomas CPA, LLC verifying the accuracy of the schedules prepared by the Financial Advisor and those calculating the yield on the Refunded Bonds and the Government Obligations deposited in the Escrow Deposit Fund, the accuracy of the assumptions contained in such report, we are of the opinion

that the pledge of the lien on the Pledged Revenues, the covenant of the Issuer pursuant to Section 6.03 of the Refunded Bonds Resolution and all other pledged and liens created by the Refunded Bond Resolution with respect to the Refunded Bonds in favor of the holders of the Refunded Bonds have ceased and become void. We have not undertaken any search or investigation to determine the completeness or accuracy of the information or the assumptions contained in such reports and schedules or any mathematical calculations described therein, including without limitation, the acquisition of Government Obligations or the sufficiency of cash deposits and cash flows therefrom to pay principal and interest on the Refunded Bonds as they mature, and have relied exclusively on the assumptions and matters referred to therein.

This letter speaks only as of the date hereof and we assume no duty or obligation to update this opinion based on changes in fact or law. Future events could affect the conclusions expressed in this opinion. This letter is furnished by us solely for your benefit in connection with the defeasance of the Refunded Bonds and may not be relied upon by any other persons. Except with respect to the Issuer, delivery of this letter does not create an attorney-client relationship.

Sincerely yours,

HOLLAND & KNIGHT LLP

*Holland & Knight LLP*

16.

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

[Home](#)

[Account](#)

[Logout](#)

**Notice of Sale Status**

Notice of Sale submission successful.

Submit Date: 1/31/2014

Bond Issue Name: City of Gainesville, Florida Refunding Revenue Note, Series 2014

Sale Date: 2/6/2014

Closing Date: 2/14/2014

[Print this page](#)

## NAME OF GOVERNMENTAL UNIT

City of Gainesville, Florida

## MAILING ADDRESS OF GOVERNMENTAL UNIT OR ITS MANAGER

Address(1) 200 E. University Avenue

Address(2)

City Gainesville

State FL

Zip 32601

## 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 Gainesville, Florida Refunding Revenue Note, Series 2014	\$14,715,000.00	True	2.399641

## AMOUNT AUTHORIZED

\$15,000,000.00

## DATED DATE (MM/DD/YYYY)

2/14/2014

## SALE DATE (MM/DD/YYYY)

2/6/2014

## DELIVERY DATE (MM/DD/YYYY)

2/14/2014

## LEGAL AUTHORITY FOR ISSUANCE

Ch. 166, F.S.

## TYPE OF ISSUE

Bank Loan/Line of Credit

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

IS THIS A REFUNDING ISSUE? ☒

ISSUE NAME	DATE	ORIGINAL PAR VALUE	PAR VALUE REFUNDED
City of Gainesville, Florida Capital Improvement Revenue Bonds, Series 2005	11/30/2005	\$22,695,000.00	\$13,710,000.00

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 TD Bank, N.A.

Address(1) 9715 Gate Parkway N

Address(2)

City Jacksonville

State FL

Zip 32246

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** Holland & Knight LLP

Address(1) 2115 Harden Boulevard

Address(2)

City Lakeland

State FL

Zip 33803

**CO-Bond Counsel** None

Address(1)

Address(2)

City

State

-

Zip

**Financial Advisor/Consultant** Public Financial Management, Inc.

Address(1) 300 S. 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

N/A

REGISTRAR

N/A

**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

\$21,336.75

Total Financial Advisor Fees Paid

\$10,000.00

Other Fees Paid

COMPANY NAME	FEE PAID	SERVICE PROVIDED OR FUNCTION SERVED
Bryant Miller Olive P.A.	\$5,250.00	Counsel to Lender

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

Name

Mark S. Benton, Finance Director

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)

0

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

Name      Nicolle M. Shalley  
Title       City Attorney  
Phone       3523938747  
Company     City of Gainesville  
Address(1)  200 E. University Avenue  
Address(2)  
City         Gainesville  
State        FL  
Zip          32601

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

Name       Edward W. Vogel III  
Title       Bond Counsel  
Phone       8634995356  
Company     Holland & Knight LLP  
Address(1)  2115 Harden Boulevard  
Address(2)  
City         Lakeland  
State        FL  
Zip          33803

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

19. Debt Service Schedule. The Note will bear interest at the rate of 2.4% per annum and will mature on October 1, 2025.

20. Optional Redemption. The Note shall be prepayable at any time, in whole or in part, upon three (3) days' prior written notice from the City to the Lender, at the amount of principal of the Note being prepaid, plus interest accrued on the principal being prepaid to the date of prepayment plus, to the extent applicable, a Yield Maintenance Fee. Prepayments in part shall be applied against remaining installments of principal due hereunder in such order as the City shall select.

The Yield Maintenance Fee shall be calculated as follows:

The current cost of funds, specifically the "bond equivalent yield" for United States Treasury securities (bills on a discounted basis shall be converted to a "bond equivalent yield") with a maturity date closest to the "Remaining Term" (as defined below), shall be subtracted from the Interest Rate or Default Rate, if applicable. If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the scheduled outstanding principal balance for each remaining monthly period of the "Remaining Term." Each resulting amount shall be divided by 360 and multiplied by the number of days in the monthly period. Said amounts shall be reduced to present values calculated by using the above-referenced current costs of funds divided by 12. The resulting sum of such present values shall be the Yield Maintenance Fee.

"Remaining Term" as used herein shall mean the remaining term of the Note from the date of prepayment.

## BANK'S DISCLOSURE LETTER

City of Gainesville, Florida  
Gainesville, Florida

Re: City of Gainesville, Florida Refunding Revenue Note, Series 2014

Ladies and Gentlemen:

TD Bank, N.A. (the "Bank") has agreed to purchase the Refunding Revenue Note, Series 2014 dated February 14, 2014, in a principal amount of \$14,715,000 (the "Note") being issued by the City of Gainesville, Florida (the "City") under the terms of a Loan Agreement dated as of February 14, 2014, between the City and the Bank (the "Loan Agreement"). All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them in the Loan Agreement.

The purpose of this letter is to furnish pursuant to the provisions of Sections 218.385(2) and (6), Florida Statutes, as amended, certain information in respect to the arrangement contemplated for the placement and sale of the Note as follows:

(a) An itemized list setting forth the nature and estimated amounts of expenses to be incurred by the Bank in connection with the issuance of the Note is set forth below:

Counsel's fees and expenses (to  
be paid with proceeds of the Note):     \$5,250.00

None of such fees and expenses are being charged to the City as part of the underwriting spread, if any, set forth in paragraph (c) below, but instead are being paid directly by the City from proceeds of the Note.

(b) No "finder" as that term is defined in Section 218.386, Florida Statutes, as amended, has entered into an understanding with the Bank, or to the knowledge of the Bank, with the City, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the City and the Bank or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Note.

(c) The underwriting spread to be paid by the City will be:

\$0.00

(d) No other fee, bonus or other compensation is estimated to be paid by the Bank in connection with the issuance of the Note to any person not regularly employed or retained by the Bank (including any "finder," as defined in Section

218.386(l)(a), Florida Statutes, as amended), except as specifically enumerated as expenses to be incurred and paid by the Bank as set forth in paragraph (a) above.

(e) Truth-in-Bonding Statement — The City is proposing to issue the Note to advance refund the City's outstanding Capital Improvement Revenue Bonds, Series 2005 and to pay the costs of issuance of the Note. The Note is expected to be repaid over a period of approximately 11.6 years. At an interest rate of 2.4%, the total interest paid over the life of the Note is estimated to be approximately \$2,545,167.00.

The source of repayment or security for the Note is limited solely to the Pledged Funds as such item is defined in Resolution No. 130549 adopted by the City Commission of the City on February 6, 2014. The authorization of this debt or obligation will result in as much as \$1,643,520.00 of Pledged Funds not being available to the City to finance other projects of the City each year for an approximately 11.6-year period.

(f) The name and address of the Bank is set forth below:

TD Bank, N.A.  
9715 Gate Parkway N.  
Jacksonville, Florida 32246

We understand that the City does not require any further disclosure from the Bank, pursuant to Section 218.385(6), Florida Statutes, as amended.

DATED this 14<sup>th</sup> day of February, 2014.

Yours very truly,

TD BANK, N.A.

By: 

Name: Coley Jones

Title: Vice President

#27148069\_v3  
16334-46

## BANK'S INVESTMENT CERTIFICATE

City of Gainesville, Florida  
Gainesville, Florida

Public Financial Management, Inc.  
Orlando, Florida

Holland & Knight LLP  
Lakeland, Florida

Re: City of Gainesville, Florida Refunding Revenue Note, Series  
2014 (the "Note")

Ladies and Gentlemen:

This letter is being provided in connection with the purchase of the above-referenced Note which was delivered to us by the City of Gainesville, Florida (the "City") on the date hereof.

1. We are engaged in the business of investing in securities similar to the Note or in the business of entering into loan transactions evidenced by securities similar to the Note.

2. We are purchasing the Note from the City for our own account (or those of our banking affiliates) for investment purposes and not with a current view toward resale; provided, however, that we reserve the right to transfer the Note or any part thereof or interest therein at any time in our sole discretion.

3. We are a national banking association and we have sufficient knowledge and experience in financial and business matters, including the purchase and ownership of taxable and tax-exempt obligations, to be capable of evaluating the merits and risks of our investment in the Note.

4. We are able to bear the economic risk of our investment in the Note.

5. We acknowledge that the Note does not represent a general obligation of the City, the State of Florida or any political subdivision thereof and is not payable from taxes or any moneys provided by or to the City, other than those described in the Note and the Loan Agreement dated as of February 14, 2014, between the City and us, pursuant to which the Note is being issued, and we further acknowledge that no covenant, stipulation, obligation or agreement contained in any documents related to the issuance of the Note is or shall be

deemed to be a covenant, agreement or obligation of any present or future board member, officer or employee of the City in his or her individual capacity.

6. We understand, acknowledge and agree that the Note has not been and will not be registered under the Securities Act of 1933, as amended, or the securities or Blue Sky laws of any state and is not listed on any stock or securities exchange.

7. We understand that no offering, statement, prospectus, offering circular, official statement or other disclosure document containing material information with respect to the City and the Note is being or has been prepared, and that, with due diligence, we have made our own inquiry and analysis with respect to the City, the Note and the security therefor.

8. We have received all financial and other information regarding the City that we have requested and which we consider relevant or necessary to make an informed decision to invest in the Note. We have made our own inquiry into the creditworthiness of the City, we have received all the information that we have requested from the City or any agents or representatives thereof, and we have been afforded a reasonable opportunity to ask questions about the terms and conditions of the offering of the Note and the security therefor and the City, and have received, to the best of our knowledge, complete and satisfactory answers to all such questions.

DATED this 14<sup>th</sup> day of February, 2014.

Very truly yours,

TD BANK, N.A., as Purchaser

By: 

Name: Coley Jones

Title: Vice President

#27148198\_v2  
16334-46

IRREVOCABLE INSTRUCTIONS TO CALL OUTSTANDING  
CITY OF GAINESVILLE, FLORIDA  
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2005

February 14, 2014

The Bank of New York Mellon Trust Company, N.A.,  
as successor to J.P. Morgan Trust Company, N.A.  
10161 Centurion Parkway  
Jacksonville, Florida 32256

Gentlemen:

This instruction letter is being provided to you in your capacity as Registrar and Paying Agent with respect to the City of Gainesville, Florida Capital Improvement Revenue Bonds, Series 2005 maturing on October 1 of the years 2016 through 2025 (the "2005 Bonds"), issued under a Resolution of the City Commission of the City of Gainesville, Florida (the "City") adopted on October 24, 2005 (the "Resolution").

On the date hereof, the City has issued its Refunding Revenue Note, Series 2014. The 2005 Bonds shall be redeemed on October 1, 2015 (the "Redemption Date") at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date.

You are hereby irrevocably instructed:

- (i) to call the 2005 Bonds for redemption on the Redemption Date;
- (ii) to mail, in accordance with the terms of the 2005 Bonds, the notices of redemption to the registered owners of the outstanding 2005 Bonds; and
- (iii) to transfer on the date hereof all accounts held in the funds and accounts established under the Resolution for the benefit of the 2005 Bonds to the Escrow Deposit Fund established in the Escrow Deposit Agreement dated as of February 14, 2014 between the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent.

CITY OF GAINESVILLE, FLORIDA

By: 

Name: Mark S. Benton

Title: Finance Director

RESOLUTION NO. 130660

A RESOLUTION TO ADOPT WRITTEN POLICIES AND PROCEDURES TO MONITOR THE REQUIREMENTS OF SECTION 148 OF THE INTERNAL REVENUE CODE AND TO ENSURE THAT ALL NONQUALIFIED BONDS OF THE ISSUER ARE REMEDIATED ACCORDING TO THE REQUIREMENTS UNDER THE INTERNAL REVENUE CODE AND REGULATIONS; PROVIDING OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the City of Gainesville, Florida (the "Issuer") has previously issued certain bonds the interest on which is excluded from the gross income of the holders thereof for federal income tax purposes (the "Tax-Exempt Bonds");

**WHEREAS**, the Issuer has previously covenanted with the holders of such Tax-Exempt Bonds that it will comply with all provisions of the Code (as hereinafter defined) necessary to maintain the exclusion from gross income of interest on such Tax-Exempt Bonds for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code;

**WHEREAS**, the Issuer has provided certificates or entered into written tax agreements upon the issuance of each series of Tax-Exempt Bonds and has now determined it to be in its best interest to adopt general written policies attached hereto to monitor the requirements of Section 148 of the Code and to ensure that all nonqualified bonds are remediated according to the requirements under the Code (the "Policies and Procedures");

BE IT RESOLVED BY THE ISSUER that:

**Section 1. Authority for this Resolution.** This Resolution is adopted pursuant to the Constitution of the State of Florida, the Charter of the City of Gainesville and other applicable provisions of law.

**Section 2. Definitions.** Words and phrases used herein in capitalized form and not otherwise defined herein (including, without limitation, in the preamble hereto) shall have the following meanings:

"Bond Counsel" shall mean an attorney, or firm of attorneys, nationally recognized and experienced in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions.

"Chief Financial Officer" shall mean the Finance Director or such other chief financial officer of the Issuer as defined in Section 218.403, Florida Statutes.

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

**Section 3. Approval of Written Policies and Procedures.** The Policies and Procedures attached hereto as Exhibit "A" and are hereby incorporated in this section as if expressly set forth herein. The Issuer hereby covenants that unless it receives an opinion of Bond Counsel to the effect that failure to comply with such Policies and Procedures shall not adversely affect the exclusion from gross income of interest on the applicable Tax-Exempt Bonds, it shall comply with the Policies and Procedures to the extent necessary to maintain the exclusion from gross income of interest on the Tax-Exempt Bonds for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

**Section 4. Applicable Provisions of Law.** This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

**Section 5. Authorizations.** All officials and employees of the Issuer, including, without limitation, the Chief Financial Officer, are authorized and empowered, collectively or individually, to take all other actions and steps as they shall deem necessary or desirable in connection with the adoption and compliance with the Policies and Procedures.

**Section 6. Effective Date.** This Resolution shall take effect immediately upon its adoption.

Passed and duly adopted in public session of the City Commission of the City of Gainesville, Florida on the 6th day of February, 2014.

CITY COMMISSION OF THE CITY OF  
GAINESVILLE, FLORIDA

By: Ed B. Braddy  
Edward B. Braddy, Mayor

ATTESTED:

By: [Signature]  
Kurt Lannon, Clerk of the Commission

APPROVED AS TO FORM AND LEGALITY:

By: Nicolle Shalley  
Nicolle Shalley, City Attorney

**EXHIBIT "A"**  
**To Resolution No. 130660**

*Policies and Procedures to monitor the requirements of Section 148 of the Code and to ensure that all nonqualified Bonds are remediated according to the requirements under the Code. This policy shall not create any third-party beneficiaries. The Issuer reserves the right to amend these policies and procedures from time to time.*

**Definitions**

*Bond Counsel* shall mean an attorney, or firm of attorneys, nationally recognized and experienced in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions.

*Bond-Financed Facilities* shall mean facilities or other capital improvements or other property financed with proceeds of Tax-Exempt Bonds.

*Chief Financial Officer* shall mean the Finance Director or such other chief financial officer of the Issuer as defined in Section 218.403, Florida Statutes.

*Code* shall mean the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

*Financial Advisor* shall mean the financial advisor to the Issuer, if any.

*IRS* shall mean the Internal Revenue Service.

*Issuer* shall mean the City of Gainesville, Florida.

*Issuer's Counsel* shall mean the City Attorney.

*Tax Certificate* shall mean a tax certificate or agreement entered into by the Issuer in connection with the issuance of Tax-Exempt Bonds.

*Tax-Exempt Bonds* shall mean bonds, notes or other obligations of the Issuer the interest on which is excludable from gross income of the holders thereof for federal income tax purposes.

**Purpose**

The implementation of these procedures is intended to assist the Issuer in complying with the Code in connection with Tax-Exempt Bonds and to provide for timely remediation through the "remedial action" regulations or the IRS Voluntary Closing Agreement Program to the extent applicable. The Chief Financial Officer shall be responsible for implementing the procedures described herein and may rely on such other professionals in carrying out these provisions, including, without limitation, Bond Counsel. The Chief Financial Officer shall obtain adequate training to perform the duties required herein. The Chief Financial Officer shall regularly conduct such due diligence as is reasonably necessary to maintain compliance with the procedures described herein.

1. **Issue Price.** As part of the closing process for any issue of Tax-Exempt Bonds, the Chief Financial Officer shall consult with the Financial Advisor and Bond Counsel and obtain a written certification from the underwriter, placement agent or other purchaser of the bonds as to the offering price of the Tax-Exempt Bonds that is in form and substance acceptable to the Issuer and Bond Counsel.

CERTIFICATE OF AUTHORITY AND INCUMBENCY OF  
ESCROW AGENT

The undersigned, LAURA R. TAKESHITA, an authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "Bank") does hereby certify on behalf of the Bank as follows:

1. The Bank is acting as the Escrow Agent under the Escrow Deposit Agreement dated as of February 14, 2014 (the "Escrow Agreement"), between the Bank and the City of Gainesville, Florida (the "City"), relating to the Capital Improvement Revenue Bonds, Series 2005 maturing on October 1 of the years 2016 through 2025, of which \$13,710,000 in aggregate principal amount remain outstanding prior to the date hereof.

2. The Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America and is authorized to exercise trust powers in the State of Florida.

3. The Bank has corporate power and authority to execute, deliver and perform the duties of Escrow Agent under the Escrow Agreement, and no approval or other actions by any governmental authority or agency having supervisory authority over the Bank is required to be obtained by the Bank in order to perform its duties under the Escrow Agreement.

4. To the knowledge of the undersigned, the Escrow Agreement constitutes a legal, valid and binding obligation of the Bank, enforceable against it in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought as a proceeding in equity or at law).


5. To the knowledge of the undersigned, the Bank's performance of the duties of the Escrow Agreement will not result in any violation of any Florida or federal law, governmental rule or regulation binding on the Bank, or the charter or bylaws of the Bank or any agreement, indenture or other obligation or instrument to which the Bank is a party or by which the Bank is bound.

6. No Florida, ~~New York~~ or federal governmental consent, authorization or approval not previously obtained and in effect is required in connection with the execution, delivery and performance by the Bank of its duties under the Escrow Agreement.

7. To the best of the undersigned's knowledge, there is no action, suit or proceeding pending or threatened against the Bank before any court, administrative agency or governmental body that will materially adversely affect the ability of the Bank to perform its duties under the Escrow Agreement.

8. The excerpt of the Bylaws attached as Exhibit A hereto, authorizes certain officers of the Escrow Agent designated to execute and authenticate, on behalf of the Escrow Agent, various types of documents, including the Escrow Agreement, and said excerpt constitutes a true and correct copy of an excerpt of the Bylaws of the Agent in effect on the date hereof, and has not been rescinded, revoked or modified in any respect since such date and is in full force and effect as of the date hereof.

9. The following named individual is the duly appointed authorized officer and the signature set opposite their title and name is their correct signature:

<u>TITLE</u>	<u>NAME</u>	<u>SPECIMEN SIGNATURE</u>
<u>Vice President</u>	<u>M. Russell Smith, Jr.</u>	

IN WITNESS WHEREOF, the Bank has caused this certificate to be executed and its corporate seal to be hereunto affixed as of the 14<sup>th</sup> day of February, 2014.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A.

By:   
Name: LAURA R. TAKESHITA  
Its: VICE PRESIDENT

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16334-46

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**

I, the undersigned, Mary Lou Olinski, Assistant Secretary of The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States (the "Association") and located in the State of California, with a trust office located at 200 Ashford Center North, Atlanta, Georgia, DO HEREBY CERTIFY that the following individuals are duly appointed and qualified Officers of the Association:

<u>Officer</u>	<u>Title</u>	<u>Signing Authority</u>
Mark P. Brown	Managing Director	B1, H, J, N, P6
Julz G. Burgess	Managing Director	B1, H, J, N, P6
Eric J. Knoll	Vice President	B1, H, J, N
Kelly O'Connor	Vice President	G, H, J
Kristine Prall	Vice President	G, H, J
Malcolm R. Smith, Jr.	Vice President	A, J, N
Laura Takeshita	Vice President	A, J, N
Marcia V. Williams	Vice President	G, H, J
Lee Ann Willis	Vice President	G, H, J
Diadra Hadley	Associate	C2, I1, I2, N

I further certify that as of this date they have been authorized to sign on behalf of the Association in discharging or performing their duties in accordance with the limited signing powers provided under Article V, Section 5.3 of the By-laws of the Association and the paragraphs indicated above of the signing authority resolution of the Board of Directors of the Association.

Attached hereto are true and correct copies of excerpts of the By-laws of the Association and the signing authority resolution, which have not been amended or revised since October 15, 2009 and are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of The Bank of New York Mellon Trust Company, N.A. this 17th day of January 2014.



  
Mary Lou Olinski, Assistant Secretary

**Extracts from By-Laws**  
**of**  
**The Bank of New York Mellon Trust Company, National Association**  
**As Amended through October 15, 2009**

**ARTICLE V**  
**SIGNING AUTHORITIES**

Section 5.1 Real Property. Real property owned by the Association in its own right shall not be deeded, conveyed, mortgaged, assigned or transferred except when duly authorized by a resolution of the Board. The Board may from time-to-time authorize officers to deed, convey, mortgage, assign or transfer real property owned by the Association in its own right with such maximum values as the Board may fix in its authorizing resolution.

Section 5.2. Senior Signing Powers. Subject to the exception provided in Section 5.1, the President and any Executive Vice President is authorized to accept, endorse, execute or sign any document, instrument or paper in the name of, or on behalf of, the Association in all transactions arising out of, or in connection with, the normal course of the Association's business or in any fiduciary, representative or agency capacity and, when required, to affix the seal of the Association thereto. In such instances as in the judgment of the President, or any Executive Vice President may be proper and desirable, any one of said officers may authorize in writing from time-to-time any other officer to have the powers set forth in this section applicable only to the performance or discharge of the duties of such officer within his or her particular division or function. Any officer of the Association authorized in or pursuant to Section 5.3 to have any of the powers set forth therein, other than the officer signing pursuant to this Section 5.2, is authorized to attest to the seal of the Association on any documents requiring such seal.

Section 5.3. Limited Signing Powers. Subject to the exception provided in Section 5.1, in such instances as in the judgment of the President or any Executive Vice President, may be proper and desirable, any one of said officers may authorize in writing from time-to-time any other officer, employee or individual to have the limited signing powers or limited power to affix the seal of the Association to specified classes of documents set forth in a resolution of the Board applicable only to the performance or discharge of the duties of such officer, employee or individual within his or her division or function.

Section 5.4. Powers of Attorney. All powers of attorney on behalf of the Association shall be executed by any officer of the Association jointly with the President, any Executive Vice President, or any Managing Director, provided that the execution by such Managing Director of said Power of Attorney shall be applicable only to the performance or discharge of the duties of said officer within his or her particular division or function. Any such power of attorney may, however, be executed by any officer or officers or person or persons who may be specifically authorized to execute the same by the Board of Directors.

Section 5.5. Auditor. The Auditor or any officer designated by the Auditor is authorized to certify in the name of, or on behalf of the Association, in its own right or in a fiduciary or representative capacity, as to the accuracy and completeness of any account, schedule of assets, or other document, instrument or paper requiring such certification.

## **SIGNING AUTHORITY RESOLUTION**

### **Pursuant to Article V, Section 5.3 of the By-Laws Adopted October 15, 2009**

**RESOLVED** that, pursuant to Section 5.3 of the By-Laws of the Association, authority be, and hereby is, granted to the President or any Executive Vice President, in such instances as in the judgment of any one of said officers may be proper and desirable, to authorize in writing from time-to-time any other officer, employee or individual to have the limited signing authority set forth in any one or more of the following paragraphs applicable only to the performance or discharge of the duties of such officer, employee or individual within his or her division or function:

**(A)** All signing authority set forth in paragraphs (B) through (I) below except Level C which must be specifically designated.

**(B1)** Individuals authorized to accept, endorse, execute or sign any bill receivable; certification; contract, document or other instrument evidencing, embodying a commitment with respect to, or reflecting the terms or conditions of, a loan or an extension of credit by the Association; note; and document, instrument or paper of any type, including stock and bond powers, required for purchasing, selling, transferring, exchanging or otherwise disposing of or dealing in foreign currency, derivatives or any form of securities, including options and futures thereon; in each case in transactions arising out of, or in connection with, the normal course of the Association's business.

**(B2)** Individuals authorized to endorse, execute or sign any certification; disclosure notice required by law; document, instrument or paper of any type required for judicial, regulatory or administrative proceedings or filings; and legal opinions.

**(C1)** Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in excess of \$500,000,000 with single authorization for all transactions.

**(C2)** Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in excess of \$500,000,000\*.

**(C3)** Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$500,000,000.

**(C4)** Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount in excess of \$100,000,000 but not to exceed \$500,000,000\*.

(C5) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$100,000,000.

(C6) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$10,000,000.

(C7) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$5,000,000.

(C8) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$1,000,000.

(C9) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$250,000.

(C10) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$50,000.

(C11) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$5,000.

\*Dual authorization is required by any combination of senior officer and/or Sector Head approved designee for non-exempt transactions. Single authorization required for exempt transactions.

(D1) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$1,000,000.

(D2) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$250,000.

(D3) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$50,000.

(D4) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$5,000.

(E) Authority to accept, endorse, execute or sign any guarantee of signature to assignments of stocks, bonds or other instruments; certification required for transfers and deliveries of stocks, bonds or other instruments; and document, instrument or paper of any type required in connection with any Individual Retirement Account or Keogh Plan or similar plan.

(F) Authority to accept, endorse, execute or sign any certificate of authentication as bond, unit investment trust or debenture trustee and on behalf of the Association as registrar and transfer agent.

(G) Authority to accept, endorse, execute or sign any bankers acceptance; letter of credit; and bill of lading.

(H) Authority to accept, endorse, execute or sign any document, instrument or paper of any type required in connection with the ownership, management or transfer of real or personal property held by the Association in trust or in connection with any transaction with respect to which the Association is acting in any fiduciary, representative or agency capacity, including the acceptance of such fiduciary, representative or agency account.

(I1) Authority to effect the external movement of free delivery of securities and internal transfers resulting in changes of beneficial ownership.

(I2) Authority to effect the movement of securities versus payment at market or contract value.

(J) Authority to either sign on behalf of the Association or to affix the seal of the Association to any of the following classes of documents: Trust Indentures, Escrow Agreements, Pooling and Servicing Agreements, Collateral Agency Agreements, Custody Agreements, Trustee's Deeds, Executor's Deeds, Personal Representative's Deeds, Other Real Estate Deeds for property not owned by the Association in its own right, Corporate Resolutions, Mortgage Satisfactions, Mortgage Assignments, Trust Agreements, Loan Agreements, Trust and Estate Accountings, Probate Petitions, responsive pleadings in litigated matters and Petitions in Probate Court with respect to Accountings, Contracts for providing customers with Association products or services.

(N) Individuals authorized to accept, endorse, execute or sign internal transactions only, (i.e., general ledger tickets); does not include the authority to authorize external money movements, internal money movements or internal free deliveries that result in changes of beneficial ownership.

(P1) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in excess of \$10,000,000.

(P2) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$10,000,000.

(P3) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$5,000,000.

(P4) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$1,000,000.

(P5) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$250,000.

(P6) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$100,000.

(P7) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$50,000.

(P8) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$25,000.

(P9) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$10,000.

(P10) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$5,000.

(P11) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$3,000.

**RESOLVED**, that any signing authority granted pursuant to this resolution may be rescinded by the President or any Executive Vice President and such signing authority shall terminate without the necessity of any further action when the person having such authority leaves the employ of the Association.

CERTIFICATE

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as successor to J.P. Morgan Trust Company, N.A., as paying agent and registrar (the "Paying Agent and Registrar") in connection with the City of Gainesville, Florida Capital Improvement Revenue Bonds, Series 2005 maturing on October 1 of the years 2016 through 2025 (the "Refunded Bonds"), hereby certifies that (i) Exhibit A attached hereto accurately reflects the dates and amounts of all payments of principal, interest and redemption premiums, if any, coming due on the Refunded Bonds to and including the payment of the Refunded Bond maturing on October 1, 2015, (ii) the Refunded Bonds maturing after October 1, 2015 are callable on October 1, 2015 at 100% of the principal amount thereof, and (iii) all fees, charges and other amounts payable by the City of Gainesville, Florida to the Paying Agent and Registrar have been paid or arrangements for payment of such amounts satisfactory to the Paying Agent and Registrar have been made.

Dated this 14<sup>th</sup> day of February, 2014.

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.

By:   
Authorized Representative

## EXHIBIT A

### ESCROW REQUIREMENTS

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

\*\*\*  
FINAL NUMBERS  
Lender: TD Bank

Period Ending	Interest	Principal Redeemed	Total
04/01/2014	301,584.38		301,584.38
10/01/2014	301,584.38		301,584.38
04/01/2015	301,584.38		301,584.38
10/01/2015	301,584.38	13,710,000.00	14,011,584.38
	1,206,337.52	13,710,000.00	14,916,337.52

SOURCES AND USES OF FUNDS

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

FINAL NUMBERS  
Lender: TD Bank

Sources:

Bond Proceeds:	
Par Amount	14,715,000.00
Other Sources of Funds:	
Contribution	201,056.25
	14,916,056.25

Uses:

Refunding Escrow Deposits:	
Cash Deposit	2.10
SLGS Purchases	14,867,992.00
	14,867,994.10
Delivery Date Expenses:	
Cost of Issuance	48,062.15
	14,916,056.25

## BOND SUMMARY STATISTICS

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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FINAL NUMBERS

Lender: TD Bank

Dated Date	02/14/2014
Delivery Date	02/14/2014
Last Maturity	10/01/2025
Arbitrage Yield	2.399641%
True Interest Cost (TIC)	2.399641%
Net Interest Cost (NIC)	2.400000%
All-In TIC	2.450037%
Average Coupon	2.400000%
Average Life (years)	7.207
Duration of Issue (years)	6.573
Par Amount	14,715,000.00
Bond Proceeds	14,715,000.00
Total Interest	2,545,167.00
Net Interest	2,545,167.00
Total Debt Service	17,260,167.00
Maximum Annual Debt Service	1,643,520.00
Average Annual Debt Service	1,484,036.33
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
Bond Component	14,715,000.00	100.000	2.400%	7.207
	14,715,000.00			7.207

	TIC	All-In TIC	Arbitrage Yield
Par Value	14,715,000.00	14,715,000.00	14,715,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-48,062.15	
- Other Amounts			
Target Value	14,715,000.00	14,666,937.85	14,715,000.00
Target Date	02/14/2014	02/14/2014	02/14/2014
Yield	2.399641%	2.450037%	2.399641%

## SUMMARY OF BONDS REFUNDED

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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FINAL NUMBERS

Lender: TD Bank

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Capital Improvement Revenue Bonds, Series 2005, 2005:					
SERIALS	10/01/2016	4.250%	1,125,000.00	10/01/2015	100.000
	10/01/2017	4.250%	1,170,000.00	10/01/2015	100.000
	10/01/2018	4.250%	1,220,000.00	10/01/2015	100.000
	10/01/2019	4.375%	1,275,000.00	10/01/2015	100.000
	10/01/2020	4.375%	1,330,000.00	10/01/2015	100.000
	10/01/2021	4.375%	1,390,000.00	10/01/2015	100.000
	10/01/2022	4.500%	1,450,000.00	10/01/2015	100.000
	10/01/2023	4.500%	1,515,000.00	10/01/2015	100.000
	10/01/2024	4.500%	1,580,000.00	10/01/2015	100.000
	10/01/2025	4.500%	1,655,000.00	10/01/2015	100.000
			13,710,000.00		

## SUMMARY OF REFUNDING RESULTS

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

## FINAL NUMBERS

Lender: TD Bank

Dated Date	02/14/2014
Delivery Date	02/14/2014
Arbitrage yield	2.399641%
Escrow yield	0.207057%
Value of Negative Arbitrage	499,632.88
Bond Par Amount	14,715,000.00
True Interest Cost	2.399641%
Net Interest Cost	2.400000%
Average Coupon	2.400000%
Average Life	7.207
Par amount of refunded bonds	13,710,000.00
Average coupon of refunded bonds	4.436267%
Average life of refunded bonds	7.484
PV of prior debt to 02/14/2014 @ 2.399641%	15,809,969.07
Net PV Savings	893,912.82
Percentage savings of refunded bonds	6.520152%
Percentage savings of refunding bonds	6.074841%

## SAVINGS

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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FINAL NUMBERS  
Lender: TD Bank

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Annual Savings	Present Value to 02/14/2014 @ 2.3996415%
02/14/2014		201,056.25	-201,056.25		-201,056.25		-201,056.25
04/01/2014	301,584.38		301,584.38		301,584.38		300,646.64
10/01/2014	301,584.38		301,584.38	347,687.00	-46,102.62	54,425.51	-45,414.38
04/01/2015	301,584.38		301,584.38	175,080.00	126,504.38		123,138.42
10/01/2015	301,584.38		301,584.38	340,080.00	-38,495.62	88,008.76	-37,027.09
04/01/2016	301,584.38		301,584.38	173,100.00	128,484.38		122,117.77
10/01/2016	1,426,584.38		1,426,584.38	1,468,100.00	-41,515.62	86,968.76	-38,990.64
04/01/2017	277,678.13		277,678.13	157,560.00	120,118.13		111,475.03
10/01/2017	1,447,678.13		1,447,678.13	1,477,560.00	-29,881.87	90,236.26	-27,402.94
04/01/2018	252,815.63		252,815.63	141,720.00	111,095.63		100,671.50
10/01/2018	1,472,815.63		1,472,815.63	1,496,720.00	-23,904.37	87,191.26	-21,404.60
04/01/2019	226,890.63		226,890.63	125,460.00	101,430.63		89,746.85
10/01/2019	1,501,890.63		1,501,890.63	1,515,460.00	-13,569.37	87,861.26	-11,863.97
04/01/2020	199,000.00		199,000.00	108,780.00	90,220.00		77,945.93
10/01/2020	1,529,000.00		1,529,000.00	1,528,780.00	220.00	90,440.00	187.82
04/01/2021	169,906.25		169,906.25	91,740.00	78,166.25		65,940.22
10/01/2021	1,559,906.25		1,559,906.25	1,551,740.00	8,166.25	86,332.50	6,807.29
04/01/2022	139,500.00		139,500.00	74,220.00	65,280.00		53,771.45
10/01/2022	1,589,500.00		1,589,500.00	1,564,220.00	25,280.00	90,560.00	20,576.38
04/01/2023	106,875.00		106,875.00	56,340.00	50,535.00		40,644.75
10/01/2023	1,621,875.00		1,621,875.00	1,586,340.00	35,535.00	86,070.00	28,241.56
04/01/2024	72,787.50		72,787.50	37,980.00	34,807.50		27,335.40
10/01/2024	1,652,787.50		1,652,787.50	1,597,980.00	54,807.50	89,615.00	42,531.72
04/01/2025	37,237.50		37,237.50	19,260.00	17,977.50		13,785.50
10/01/2025	1,692,237.50		1,692,237.50	1,624,260.00	67,977.50	85,955.00	51,508.46
	18,484,887.56	201,056.25	18,283,831.31	17,260,167.00	1,023,664.31	1,023,664.31	893,912.82

Savings Summary

PV of savings from cash flow 893,912.82

Net PV Savings 893,912.82

## BOND DEBT SERVICE

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

## FINAL NUMBERS

Lender: TD Bank

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2014	125,000	2.400%	222,687	347,687	347,687
04/01/2015			175,080	175,080	
10/01/2015	165,000	2.400%	175,080	340,080	515,160
04/01/2016			173,100	173,100	
10/01/2016	1,295,000	2.400%	173,100	1,468,100	1,641,200
04/01/2017			157,560	157,560	
10/01/2017	1,320,000	2.400%	157,560	1,477,560	1,635,120
04/01/2018			141,720	141,720	
10/01/2018	1,355,000	2.400%	141,720	1,496,720	1,638,440
04/01/2019			125,460	125,460	
10/01/2019	1,390,000	2.400%	125,460	1,515,460	1,640,920
04/01/2020			108,780	108,780	
10/01/2020	1,420,000	2.400%	108,780	1,528,780	1,637,560
04/01/2021			91,740	91,740	
10/01/2021	1,460,000	2.400%	91,740	1,551,740	1,643,480
04/01/2022			74,220	74,220	
10/01/2022	1,490,000	2.400%	74,220	1,564,220	1,638,440
04/01/2023			56,340	56,340	
10/01/2023	1,530,000	2.400%	56,340	1,586,340	1,642,680
04/01/2024			37,980	37,980	
10/01/2024	1,560,000	2.400%	37,980	1,597,980	1,635,960
04/01/2025			19,260	19,260	
10/01/2025	1,605,000	2.400%	19,260	1,624,260	1,643,520
	14,715,000		2,545,167	17,260,167	17,260,167

## PRIOR BOND DEBT SERVICE

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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FINAL NUMBERS  
Lender: TD Bank

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2014			301,584.38	301,584.38	
10/01/2014			301,584.38	301,584.38	603,168.76
04/01/2015			301,584.38	301,584.38	
10/01/2015			301,584.38	301,584.38	603,168.76
04/01/2016			301,584.38	301,584.38	
10/01/2016	1,125,000	4.250%	301,584.38	1,426,584.38	1,728,168.76
04/01/2017			277,678.13	277,678.13	
10/01/2017	1,170,000	4.250%	277,678.13	1,447,678.13	1,725,356.26
04/01/2018			252,815.63	252,815.63	
10/01/2018	1,220,000	4.250%	252,815.63	1,472,815.63	1,725,631.26
04/01/2019			226,890.63	226,890.63	
10/01/2019	1,275,000	4.375%	226,890.63	1,501,890.63	1,728,781.26
04/01/2020			199,000.00	199,000.00	
10/01/2020	1,330,000	4.375%	199,000.00	1,529,000.00	1,728,000.00
04/01/2021			169,906.25	169,906.25	
10/01/2021	1,390,000	4.375%	169,906.25	1,559,906.25	1,729,812.50
04/01/2022			139,500.00	139,500.00	
10/01/2022	1,450,000	4.500%	139,500.00	1,589,500.00	1,729,000.00
04/01/2023			106,875.00	106,875.00	
10/01/2023	1,515,000	4.500%	106,875.00	1,621,875.00	1,728,750.00
04/01/2024			72,787.50	72,787.50	
10/01/2024	1,580,000	4.500%	72,787.50	1,652,787.50	1,725,575.00
04/01/2025			37,237.50	37,237.50	
10/01/2025	1,655,000	4.500%	37,237.50	1,692,237.50	1,729,475.00
	13,710,000		4,774,887.56	18,484,887.56	18,484,887.56

## ESCROW REQUIREMENTS

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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FINAL NUMBERS

Lender: TD Bank

Period Ending	Interest	Principal Redeemed	Total
04/01/2014	301,584.38		301,584.38
10/01/2014	301,584.38		301,584.38
04/01/2015	301,584.38		301,584.38
10/01/2015	301,584.38	13,710,000.00	14,011,584.38
	1,206,337.52	13,710,000.00	14,916,337.52

## ESCROW DESCRIPTIONS DETAIL

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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FINAL NUMBERS

Lender: TD Bank

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Series 2005 (2005), SF_ESC, Feb 14, 2014:						
SLGS	Certificate	04/01/2014	04/01/2014	201,056	0.070%	0.070%
Global Proceeds Escrow, Feb 14, 2014:						
SLGS	Certificate	04/01/2014	04/01/2014	96,743	0.070%	0.070%
SLGS	Certificate	10/01/2014	10/01/2014	286,590	0.070%	0.070%
SLGS	Note	04/01/2015	04/01/2014	286,716	0.120%	0.120%
SLGS	Note	10/01/2015	04/01/2014	13,996,887	0.210%	0.210%
				14,666,936		
				14,867,992		

SLGS Summary

SLGS Rates File	06FEB14
Total Certificates of Indebtedness	584,389.00
Total Notes	14,283,603.00
Total original SLGS	14,867,992.00

## ESCROW COST

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

## FINAL NUMBERS

Lender: TD Bank

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	04/01/2014	297,799	0.070%	297,799.00
SLGS	10/01/2014	286,590	0.070%	286,590.00
SLGS	04/01/2015	286,716	0.120%	286,716.00
SLGS	10/01/2015	13,996,887	0.210%	13,996,887.00
		14,867,992		14,867,992.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
02/14/2014	14,867,992	2.10	14,867,994.10
	14,867,992	2.10	14,867,994.10

## ESCROW CASH FLOW

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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FINAL NUMBERS

Lender: TD Bank

Date	Principal	Interest	Net Escrow Receipts
04/01/2014	297,799.00	3,784.31	301,583.31
10/01/2014	286,590.00	14,994.62	301,584.62
04/01/2015	286,716.00	14,868.76	301,584.76
10/01/2015	13,996,887.00	14,696.73	14,011,583.73
	14,867,992.00	48,344.42	14,916,336.42

Escrow Cost Summary

Purchase date	02/14/2014
Purchase cost of securities	14,867,992.00

## ESCROW SUFFICIENCY

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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FINAL NUMBERS  
Lender: TD Bank

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
02/14/2014		2.10	2.10	2.10
04/01/2014	301,584.38	301,583.31	-1.07	1.03
10/01/2014	301,584.38	301,584.62	0.24	1.27
04/01/2015	301,584.38	301,584.76	0.38	1.65
10/01/2015	14,011,584.38	14,011,583.73	-0.65	1.00
	14,916,337.52	14,916,338.52	1.00	

## ESCROW STATISTICS

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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FINAL NUMBERS

Lender: TD Bank

Escrow	Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Series 2005 (2005): SF_ESC	201,056.25	0.131	0.067592%	0.067592%	200,448.78	607.47	
Global Proceeds Escrow:	14,666,937.85	1.588	0.207057%	0.207057%	14,167,912.39	499,025.41	0.05
	14,867,994.10				14,368,361.17	499,632.88	0.05

Delivery date 02/14/2014  
Arbitrage yield 2.399641%

## COST OF ISSUANCE

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

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FINAL NUMBERS

Lender: TD Bank

Cost of Issuance	\$/1000	Amount
Bond Counsel Fee	1.45000	21,336.75
Bond Counsel Expenses	0.13592	2,000.00
Financial Advisory Fee	0.67958	10,000.00
Escrow Structure Fee	0.16989	2,500.00
Bank Counsel Fee	0.35678	5,250.00
Escrow Agent Fee	0.05097	750.00
Verification Agent Fee	0.10194	1,500.00
Miscellaneous	0.32113	4,725.40
	3.26620	48,062.15

## FORM 8038 STATISTICS

City of Gainesville, Florida  
Refunding Revenue Note, Series 2014

## FINAL NUMBERS

Lender: TD Bank

Dated Date 02/14/2014

Delivery Date 02/14/2014

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	10/01/2014	125,000.00	2.400%	100.000	125,000.00	125,000.00
	10/01/2015	165,000.00	2.400%	100.000	165,000.00	165,000.00
	10/01/2016	1,295,000.00	2.400%	100.000	1,295,000.00	1,295,000.00
	10/01/2017	1,320,000.00	2.400%	100.000	1,320,000.00	1,320,000.00
	10/01/2018	1,355,000.00	2.400%	100.000	1,355,000.00	1,355,000.00
	10/01/2019	1,390,000.00	2.400%	100.000	1,390,000.00	1,390,000.00
	10/01/2020	1,420,000.00	2.400%	100.000	1,420,000.00	1,420,000.00
	10/01/2021	1,460,000.00	2.400%	100.000	1,460,000.00	1,460,000.00
	10/01/2022	1,490,000.00	2.400%	100.000	1,490,000.00	1,490,000.00
	10/01/2023	1,530,000.00	2.400%	100.000	1,530,000.00	1,530,000.00
	10/01/2024	1,560,000.00	2.400%	100.000	1,560,000.00	1,560,000.00
	10/01/2025	1,605,000.00	2.400%	100.000	1,605,000.00	1,605,000.00
		14,715,000.00			14,715,000.00	14,715,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	10/01/2025	2.400%	1,605,000.00	1,605,000.00		
Entire Issue			14,715,000.00	14,715,000.00	7.2068	2.3996%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	48,062.15
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	0.00
Proceeds used to advance refund prior issues	14,666,937.85
Remaining weighted average maturity of the bonds to be currently refunded	0.0000
Remaining weighted average maturity of the bonds to be advance refunded	7.4754

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
Capital Improvement Revenue Bonds, Series 2005	10/01/2015	11/30/2005	7.4754
All Refunded Issues	10/01/2015		7.4754

Robert Thomas CPA, LLC  
Certified Public Accountants

**CITY OF GAINESVILLE, FLORIDA**

Verification Report  
February 14, 2014

Robert Thomas CPA, LLC  
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S VERIFICATION REPORT

February 14, 2014

City of Gainesville, Florida ("Issuer")  
Gainesville, Florida

Public Financial Management, Inc. ("Financial Advisor")  
Orlando, Florida

Holland and Knight LLP ("Bond Counsel")  
Lakeland, Florida

The Bank of New York Mellon  
Trust Company, N.A. ("Escrow Trustee")  
Jacksonville, Florida

TD Bank ("Purchaser")  
Jacksonville, Florida

Pursuant to the request of the Financial Advisor, on behalf of the Issuer, we have performed certain procedures, as discussed below, in connection with the Issuer's proposed delivery of **\$14,715,000 Refunding Revenue Note, Series 2014**, dated February 14, 2014 (the "Note").

Proceeds from the Note, together with other available funds, will be used to acquire United States Treasury Obligations – State and Local Government Series (the "SLGS" or "Escrowed Securities") to provide funds to advance refund the callable maturities, comprising serial bonds originally scheduled to mature October 1, 2016 through October 1, 2025 (the "Refunded Bonds"), of the Issuer's outstanding **Capital Improvement Revenue Bonds, Series 2005**, dated November 30, 2005 (the "2005 Bonds").

The procedures were performed solely to assist the addressees of this report in evaluating the mathematical accuracy of certain schedules prepared by the Financial Advisor which indicate that:

- there will be sufficient funds available in an escrow account (the "Escrow Fund") to be established on February 14, 2014 to pay the remaining payment of principal and interest related to the Refunded Bonds (the "Escrow Requirements"), assuming the Refunded Bonds, in the aggregate principal amount of \$13,710,000, will be called and redeemed on the first optional redemption date of October 1, 2015 at 100.00 percent of the principal amount thereof; and
- the yield on the Escrowed Securities to be purchased with Note proceeds (the "Escrowed Securities Purchased with Note Proceeds") is less than the yield on the Note.

The procedures we performed are summarized below:

1. We independently calculated the future cash receipts from the Escrowed Securities and compared the future cash receipts to the Financial Advisor's schedules. We found the future cash receipts to be in agreement.
2. We independently calculated the Escrow Requirements related to the Refunded Bonds, using information from the Official Statement for the 2005 Bonds (the "Prior Bond Documents"), compared the Escrow Requirements to the Financial Advisor's schedules, and found the Escrow Requirements to be in agreement. We assume the Prior Bond Documents to be accurate.
3. Using the results of our independent calculations described in procedures 1 and 2, and assuming an initial cash deposit to the Escrow Fund in the amount of \$2.10 on February 14, 2014, we prepared an Escrow Fund cash flow schedule (attached hereto as Exhibit A). The resulting cash flow schedule indicates that there will be sufficient funds available in the Escrow Fund to pay the Escrow Requirements on a timely basis.
4. We compared the interest rates for the SLGS on the final SLGS Subscription View Form (provided by the Financial Advisor and attached to this report) to the Department of the Treasury Bureau of the Public Debt SLGS Table for use on February 6, 2014, and found the interest rates on the final SLGS Subscription View Form to be less than or equal to the applicable maximum allowable interest rates for use on February 6, 2014.
5. We compared the terms (i.e., the principal amounts, interest rates, first interest payment dates, issue date and maturity dates) of the SLGS to be acquired on February 14, 2014, as summarized herein, to the final SLGS subscription forms; we found the terms to be in agreement.
6. We compared pertinent terms of the Refunded Bonds (i.e., debt service payment dates, annual maturity amounts, interest rates and optional redemption provisions), as summarized herein, using information from the Prior Bond Documents, provided by the Financial Advisor; we found the terms to be in agreement.

7. We independently calculated the yield on the Escrowed Securities Purchased with Note Proceeds and the yield on the Note, assuming a settlement date of February 14, 2014. The term "yield," as used herein, means that yield which, when used in computing the present value of all payments of principal and interest on an obligation compounded semiannually using a 30/360-day year basis, produces an amount equal to:
- in the case of the Escrowed Securities Purchased with Note Proceeds, the purchase price of such securities; and
  - in the case of the Note, the purchase price of the Note, as represented by the Financial Advisor.

The results of our yield calculations, which are listed below, were compared to the yield calculations provided by the Financial Advisor; we found the yields to be in agreement.

	YIELD	EXHIBIT
• Yield on the Escrowed Securities Purchased with Note Proceeds	0.2070569%	B-1
• Yield on the Note	2.3996415%	D-1

Based on performing the agreed-upon procedures, we have found that those schedules provided by the Financial Advisor, when compared to those schedules prepared by us (attached hereto as Exhibits), are arithmetically accurate and reflect, based on the assumptions set forth herein, that:

- there will be sufficient funds available in the Escrow Fund to pay the Escrow Requirements on a timely basis; and
- the yield on the Escrowed Securities Purchased with Note Proceeds is less than the yield on the Note, as described above.

This engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants (the "AICPA"). The sufficiency of these procedures is solely the responsibility of the specified users of the report. We make no representation regarding the sufficiency of the procedures summarized above, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the achievability of the anticipated Escrow Fund cash sufficiency or yield calculations. Accordingly, in accordance with standards for attestation services established by the AICPA, we cannot express such an opinion. Had we performed an examination or performed additional procedures, other matters might have come to our attention that would have been reported to you.

City of Gainesville, Florida  
February 14, 2014  
Page 4

The results of our independent calculations with respect to the proposed transactions are summarized in the accompanying exhibits. The original computations, along with related characteristics and assumptions contained herein, were provided by the Financial Advisor on behalf of the Issuer. We relied on this information, the information contained in the Prior Bond Documents and these assumptions and limited our work to performing those procedures set forth above.

This report is issued solely for the information of, and assistance to, the addressees of this report and is not to be quoted or referred to in any document, except for the required closing transaction documents. Additionally, this report should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under the terms of our engagement, we have no obligation to update this report because of events or transactions occurring subsequent to the date of this report.

A handwritten signature in black ink that reads "Robert Thomas CPA, LLC". The signature is written in a cursive, flowing style.

Shawnee Mission, Kansas

## APPENDIX

**CITY OF GAINESVILLE, FLORIDA**

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C	Debt Service to Maturity and Escrow Requirements for the Refunded Bonds	6
D-1	Debt Service and Yield on the Notes	7
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## CITY OF GAINESVILLE, FLORIDA

REFUNDING REVENUE NOTE  
SERIES 2014

## ESCROW FUND CASH FLOW

<u>Date</u>	<u>Cash receipts from Escrowed Securities Purchased with Note Proceeds (Exhibit B-1)</u>	<u>Cash receipts from Escrowed Securities Purchased with Debt Service Funds (Exhibit B-3)</u>	<u>Cash disbursements for the Refunded Bonds (Exhibit C)</u>	<u>Cash balance</u>
Initial cash deposit on 2/14/2014				\$ 2.10
4/1/2014	\$ 100,509.57	\$ 201,073.74	\$ 301,584.38	1.03
10/1/2014	301,584.62		301,584.38	1.27
4/1/2015	301,584.76		301,584.38	1.65
10/1/2015	14,011,583.73		14,011,584.38	1.00
	<u>\$ 14,715,262.68</u>	<u>\$ 201,073.74</u>	<u>\$ 14,916,337.52</u>	

## CITY OF GAINESVILLE, FLORIDA

REFUNDING REVENUE NOTE  
SERIES 2014CASH RECEIPTS FROM AND YIELD  
ON THE ESCROWED SECURITIES  
PURCHASED WITH NOTE PROCEEDS

<u>Date</u>	<u>Cash receipts from Escrowed Securities Purchased with Bond Proceeds (Exhibit B-2)</u>	<u>Present value on 2/14/2014 using a yield of 0.2070569%</u>
4/1/2014	\$ 100,509.57	\$ 100,482.42
10/1/2014	301,584.62	301,191.33
4/1/2015	301,584.76	300,879.97
10/1/2015	14,011,583.73	13,964,382.29
	<u>\$ 14,715,262.68</u>	<u>\$ 14,666,936.00</u>
	(To Exhibit A)	
Total purchase price of the Escrowed Securities Purchased with Note Proceeds (Exhibits B-4 and E)		<u>\$ 14,666,936.00</u>

## CITY OF GAINESVILLE, FLORIDA

REFUNDING REVENUE NOTE  
SERIES 2014SCHEDULE OF INTEREST RECEIPTS AND PRINCIPAL  
MATURITIES OF THE ESCROWED SECURITIES  
PURCHASED WITH NOTE PROCEEDS

Payment date	4/1/2014 \$ 96,743 0.070%	10/1/2014 \$ 286,590.00 0.070%	4/1/2015 \$ 286,716 0.120%	10/1/2015 \$ 13,996,887 0.210%	Total
4/1/2014	\$ 96,751.53		\$ 43.48	\$ 3,714.56	\$ 100,509.57
10/1/2014		\$ 286,715.86	172.03	14,696.73	301,584.62
4/1/2015			286,888.03	14,696.73	301,584.76
10/1/2015				14,011,583.73	14,011,583.73
	<u>\$ 96,751.53</u>	<u>\$ 286,715.86</u>	<u>\$ 287,103.54</u>	<u>\$ 14,044,691.75</u>	<u>\$ 14,715,262.68</u>

(To Exhibit B-1)

## CITY OF GAINESVILLE, FLORIDA

REFUNDING REVENUE NOTE  
SERIES 2014SCHEDULE OF INTEREST RECEIPTS AND PRINCIPAL  
MATURITIES ON THE ESCROWED SECURITIES  
PURCHASED WITH DEBT SERVICE FUNDS

Payment date	4/1/2014		Total
	\$	201,056 0.070%	
4/1/2014	\$	201,073.74	\$ 201,073.74
	\$	<u>201,073.74</u>	<u>\$ 201,073.74</u>

(To Exhibit A)

## CITY OF GAINESVILLE, FLORIDA

REFUNDING REVENUE NOTE  
SERIES 2014CHARACTERISTICS AND PURCHASE  
PRICE OF THE ESCROWED SECURITIESU.S. TREASURY OBLIGATIONS -  
STATE AND LOCAL GOVERNMENT SERIES

<u>Maturity date</u>	<u>Type</u>	<u>Par</u>	<u>Coupon rate</u>	<u>First Interest Payment Date</u>
<b>PURCHASED WITH DEBT SERVICE FUNDS</b>				
4/1/2014	SLGS	\$ 201,056	0.070%	-
		<u>\$ 201,056</u> (Exhibit E)		
<b>PURCHASED WITH NOTE PROCEEDS</b>				
4/1/2014	SLGS	\$ 96,743	0.070%	-
10/1/2014	SLGS	286,590	0.070%	-
4/1/2015	SLGS	286,716	0.120%	4/1/2014
10/1/2015	SLGS	13,996,887	0.210%	4/1/2014
		<u>\$ 14,666,936</u> (Exhibit E)		
Total Purchase Price of the Escrowed Securities		<u>\$ 14,867,992</u>		

## CITY OF GAINESVILLE, FLORIDA

REFUNDING REVENUE NOTE  
SERIES 2014DEBT SERVICE TO MATURITY AND  
ESCROW REQUIREMENTS FOR THE REFUNDED BONDS

Date	Remaining Scheduled Debt Service Payments to Original Maturity Date (For Reference Purposes Only)			Total Debt Service Payments	Escrow requirements
	Principal	Interest rate	Interest		
4/1/2014			\$ 301,584.38	\$ 301,584.38	\$ 301,584.38
10/1/2014			301,584.38	301,584.38	301,584.38
4/1/2015			301,584.38	301,584.38	301,584.38
10/1/2015			301,584.38	301,584.38	14,011,584.38
4/1/2016			301,584.38	301,584.38	
10/1/2016	\$ 1,125,000	4.250%	301,584.38	1,426,584.38	
4/1/2017			277,678.13	277,678.13	
10/1/2017	1,170,000	4.250%	277,678.13	1,447,678.13	
4/1/2018			252,815.63	252,815.63	
10/1/2018	1,220,000	4.250%	252,815.63	1,472,815.63	
4/1/2019			226,890.63	226,890.63	
10/1/2019	1,275,000	4.375%	226,890.63	1,501,890.63	
4/1/2020			199,000.00	199,000.00	
10/1/2020	1,330,000	4.375%	199,000.00	1,529,000.00	
4/1/2021			169,906.25	169,906.25	
10/1/2021	1,390,000	4.375%	169,906.25	1,559,906.25	
4/1/2022			139,500.00	139,500.00	
10/1/2022	1,450,000	4.500%	139,500.00	1,589,500.00	
4/1/2023			106,875.00	106,875.00	
10/1/2023	1,515,000	4.500%	106,875.00	1,621,875.00	
4/1/2024			72,787.50	72,787.50	
10/1/2024	1,580,000	4.500%	72,787.50	1,652,787.50	
4/1/2025			37,237.50	37,237.50	
10/1/2025	1,655,000	4.500%	37,237.50	1,692,237.50	
	<u>\$ 13,710,000</u>		<u>\$ 4,774,887.56</u>	<u>\$ 18,484,887.56</u>	<u>\$ 14,916,337.52</u>

(To Exhibit A)

## CITY OF GAINESVILLE, FLORIDA

REFUNDING REVENUE NOTE  
SERIES 2014

## DEBT SERVICE AND YIELD ON THE NOTE

Debt service payment date	Principal	Interest rate	Interest	Total debt service	Present value on 2/14/2014 using a yield of 2.3996415%
10/1/2014	\$ 125,000	2.400%	\$ 222,687.00	\$ 347,687.00	\$ 342,496.57
4/1/2015			175,080.00	175,080.00	170,421.57
10/1/2015	165,000	2.400%	175,080.00	340,080.00	327,106.65
4/1/2016			173,100.00	173,100.00	164,522.62
10/1/2016	1,295,000	2.400%	173,100.00	1,468,100.00	1,378,810.03
4/1/2017			157,560.00	157,560.00	146,222.78
10/1/2017	1,320,000	2.400%	157,560.00	1,477,560.00	1,354,984.84
4/1/2018			141,720.00	141,720.00	128,422.38
10/1/2018	1,355,000	2.400%	141,720.00	1,496,720.00	1,340,202.38
4/1/2019			125,460.00	125,460.00	111,008.28
10/1/2019	1,390,000	2.400%	125,460.00	1,515,460.00	1,324,996.75
4/1/2020			108,780.00	108,780.00	93,980.91
10/1/2020	1,420,000	2.400%	108,780.00	1,528,780.00	1,305,136.22
4/1/2021			91,740.00	91,740.00	77,390.89
10/1/2021	1,460,000	2.400%	91,740.00	1,551,740.00	1,293,511.58
4/1/2022			74,220.00	74,220.00	61,135.37
10/1/2022	1,490,000	2.400%	74,220.00	1,564,220.00	1,273,179.72
4/1/2023			56,340.00	56,340.00	45,313.64
10/1/2023	1,530,000	2.400%	56,340.00	1,586,340.00	1,260,749.10
4/1/2024			37,980.00	37,980.00	29,826.86
10/1/2024	1,560,000	2.400%	37,980.00	1,597,980.00	1,240,064.41
4/1/2025			19,260.00	19,260.00	14,768.94
10/1/2025	1,605,000	2.400%	19,260.00	1,624,260.00	1,230,747.51
	<u>\$ 14,715,000.00</u>		<u>\$ 2,545,167.00</u>	<u>\$ 17,260,167.00</u>	<u>\$ 14,715,000.00</u>
Aggregate Offering Price of the Note (Exhibits E & D-2)					<u>\$ 14,715,000.00</u>

## CITY OF GAINESVILLE, FLORIDA

REFUNDING REVENUE NOTE  
SERIES 2014

## CHARACTERISTICS AND PRICING SUMMARY OF THE NOTE

Scheduled maturity date	Principal	Interest Rate	Yield as of 2/14/2014	Price	Gross Production
10/1/2014	\$ 125,000	2.400%	2.400%	100.000	\$ 125,000.00
10/1/2015	165,000	2.400%	2.400%	100.000	165,000.00
10/1/2016	1,295,000	2.400%	2.400%	100.000	1,295,000.00
10/1/2017	1,320,000	2.400%	2.400%	100.000	1,320,000.00
10/1/2018	1,355,000	2.400%	2.400%	100.000	1,355,000.00
10/1/2019	1,390,000	2.400%	2.400%	100.000	1,390,000.00
10/1/2020	1,420,000	2.400%	2.400%	100.000	1,420,000.00
10/1/2021	1,460,000	2.400%	2.400%	100.000	1,460,000.00
10/1/2022	1,490,000	2.400%	2.400%	100.000	1,490,000.00
10/1/2023	1,530,000	2.400%	2.400%	100.000	1,530,000.00
10/1/2024	1,560,000	2.400%	2.400%	100.000	1,560,000.00
10/1/2025	1,605,000 (1)	2.400%	2.400%	100.000	1,605,000.00
	<u>\$ 14,715,000</u>				<u>\$ 14,715,000.00</u>
Aggregate Offering Price of the Note (Exhibit E)					\$ 14,715,000.00
Par amount of the Note					<u>14,715,000.00</u>
Net original issue premium / (discount)					<u>\$ -</u>

(1) Term Note due October 1, 2025

## CITY OF GAINESVILLE, FLORIDA

REFUNDING REVENUE NOTE  
SERIES 2014

## SOURCES AND USES OF FUNDS

Sources of Funds

Par amount of the Note	\$ 14,715,000.00
Net original issue premium / (discount)	-
	<hr/>
Aggregate Offering Price of the Note	14,715,000.00
Transfer from Debt Service Fund	201,056.25
	<hr/>
	<u>\$ 14,916,056.25</u>

Uses of Funds

Purchase price of Escrowed Securities	
Purchased with Note Proceeds	\$ 14,666,936.00
Purchased with Debt Service Funds	201,056.00
Beginning cash deposit to Escrow Fund	2.10
	<hr/>
Total deposit to Escrow Fund	14,867,994.10
Issuance Costs	48,062.15
	<hr/>
	<u>\$ 14,916,056.25</u>



**U.S. Treasury Securities  
SLGS Time Deposit  
Subscription View**

OMB: No: 1535-0092  
Date/Time: 02/06/2014 05:01 PM EST  
Page: 1 of 2

**Issue Information**

**Treasury Case Number** 201400603  
**Status** Complete  
**Issue Date** 02/14/2014  
**Issue Amount** \$14,867,992.00  
**Rate Table Date** 02/06/2014

**Owner**

**Taxpayer Identification Number** 59-6000325  
**Underlying Bond Issue** Refunding Revenue Note, Series 2014  
**Owner Name** City of Gainesville, Florida  
**Address Line 1** 200 E. University Avenue  
**Line 2**  
**Line 3**  
**City** Gainesville  
**State** FL  
**Zip Code** 32601  
**Contact Name** Mark Benton  
**Telephone** 352-393-8767  
**Fax** 352-334-3163  
**E-mail** bentonms@cityofgainesville.org

**Trustee**

**ABA Routing Number** 021000018  
**Bank Reference Number**  
**Bank Name** The Bank of New York Mellon Trust Company, N.A.  
**Address Line 1** 10161 Centurion Parkway  
**Line 2**  
**Line 3**  
**City** Jacksonville  
**State** FL  
**Zip Code** 32256  
**Contact Name** Stephanie Matthews  
**Telephone** 904-998-4712  
**Fax** 904-645-1997  
**E-mail** Stephanie.matthews@bnymellon.com

**Funds for Purchase**

**ABA Routing Number** 021000018  
**Bank Name** The Bank of New York Mellon Trust Company, N.A.  
**Contact Name** Stephanie Matthews  
**Telephone** 904-998-4712  
**Fax** 904-645-1997  
**E-mail** Stephanie.matthews@bnymellon.com



**U.S. Treasury Securities  
SLGS Time Deposit  
Subscription View**

OMB: No: 1535-0092

Date/Time: 02/06/2014 05:01 PM EST

Page: 2 of 2

**ACH Institutions & Instructions**

**ABA Routing Number** 021000018

**Bank Name** The Bank of New York  
Mellon Trust Company,  
N.A.

**Address Line 1** 10161 Centurion  
Parkway

**Line 2**

**Line 3**

**City** Jacksonville

**State** FL

**Zip Code** 32256

**Contact Name** Stephanie Matthews

**Telephone** 904-998-4712

**Fax** 904-645-1997

**E-mail** Stephanie.matthews@bnymellon.com

**ABA Routing Number** 021000018

**Account Name** TAS 888491

**Account Number** 8900101474

**Account Type** Checking

**Subscriber**

**ABA/TIN** 23-3087064

**Organization Name** PFM Asset Management LLC

**Address Line 1** One Keystone Plaza Suite 300

**Line 2** North Front and Market Streets

**Line 3**

**City** Harrisburg

**State** PA

**Zip Code** 17101

**Contact Name** Fahad Afolabi

**Telephone** 717-232-2723

**Fax** 717-232-7837

**E-mail** afolabif@pfm.com

**Viewers**

ABA/TIN	Organization Name
No Viewers Assigned	

**Securities**

Security Number	Security Type	Principal Amount	Interest Rate	Maturity Date	First Interest Payment Date	Security Description
1	C of I	\$297,799.00	0.070000000	04/01/2014		Certificate
2	C of I	\$286,590.00	0.070000000	10/01/2014		Certificate
3	Note	\$286,716.00	0.120000000	04/01/2015	04/01/2014	Note
4	Note	\$13,996,887.00	0.210000000	10/01/2015	04/01/2014	Note



**U.S. Treasury Securities  
SLGS Time Deposit  
Subscription View**

OMB: No: 1535-0092  
Date/Time: 02/06/2014 05:01 PM EST  
Page: 1 of 2

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**Issue Information**

Treasury Case 201400603  
Number  
Status Complete  
Issue Date 02/14/2014  
Issue Amount \$14,867,992.00  
Rate Table Date 02/06/2014

**Owner**

Taxpayer 59-6000325  
Identification Number  
Underlying Bond Refunding Revenue Note, Series 2014  
Issue  
Owner Name City of Gainesville, Florida  
Address Line 1 200 E. University Avenue  
Line 2  
Line 3  
City Gainesville  
State FL  
Zip Code 32601  
Contact Name Mark Benton  
Telephone 352-393-8767  
Fax 352-334-3163  
E-mail bentonms@cityofgainesville.org

**Trustee**

ABA Routing Number 021000018  
Bank Reference  
Number  
Bank Name The Bank of New York Mellon Trust Company, N.A.  
Address Line 1 10161 Centurion Parkway  
Line 2  
Line 3  
City Jacksonville  
State FL  
Zip Code 32256  
Contact Name Stephanie Matthews  
Telephone 904-998-4712  
Fax 904-645-1997  
E-mail Stephanie.matthews@bnymellon.com

**Funds for Purchase**

ABA Routing Number 021000018  
Bank Name The Bank of New York Mellon Trust Company, N.A.  
Contact Name Stephanie Matthews  
Telephone 904-998-4712  
Fax 904-645-1997  
E-mail Stephanie.matthews@bnymellon.com



**U.S. Treasury Securities  
SLGS Time Deposit  
Subscription View**

OMB: No: 1535-0092  
Date/Time: 02/06/2014 05:01 PM EST  
Page: 2 of 2

**ACH Institutions & Instructions**

**ABA Routing Number** 021000018

**Bank Name** The Bank of New York  
Mellon Trust Company,  
N.A.

**Address Line 1** 10161 Centurion  
Parkway

**Line 2**

**Line 3**

**City** Jacksonville

**State** FL

**Zip Code** 32256

**Contact Name** Stephanie Matthews

**Telephone** 904-998-4712

**Fax** 904-645-1997

**E-mail** Stephanie.matthews@bnymellon.com

**ABA Routing Number** 021000018

**Account Name** TAS 888491

**Account Number** 8900101474

**Account Type** Checking

**Subscriber**

**ABA/TIN** 23-3087064

**Organization Name** PFM Asset Management LLC

**Address Line 1** One Keystone Plaza Suite 300

**Line 2** North Front and Market Streets

**Line 3**

**City** Harrisburg

**State** PA

**Zip Code** 17101

**Contact Name** Fahad Afolabi

**Telephone** 717-232-2723

**Fax** 717-232-7837

**E-mail** afolabif@pfm.com

**Viewers**

ABA/TIN	Organization Name
No Viewers Assigned	

**Securities**

Security Number	Security Type	Principal Amount	Interest Rate	Maturity Date	First Interest Payment Date	Security Description
1	C of I	\$297,799.00	0.070000000	04/01/2014		Certificate
2	C of I	\$286,590.00	0.070000000	10/01/2014		Certificate
3	Note	\$286,716.00	0.120000000	04/01/2015	04/01/2014	Note
4	Note	\$13,996,887.00	0.210000000	10/01/2015	04/01/2014	Note

NOTICE OF DEFEASANCECITY OF GAINESVILLE, FLORIDA  
CAPITAL IMPROVEMENT REVENUE BONDS,  
SERIES 2005

NOTICE IS HEREBY GIVEN by the City of Gainesville, Florida (the "City"), that the City's outstanding Capital Improvement Revenue Bonds, Series 2005 maturing on October 1 of the years 2016 through 2025 (the "Refunded Bonds"), have been defeased pursuant to the terms of the Resolution duly adopted by the City Commission of the City on October 24, 2005, by depositing in irrevocable escrow amounts which will be sufficient to pay the principal of and interest and redemption premium, if any, on the Refunded Bonds upon their prior maturity or their redemption on October 1, 2015.

**This notice does not constitute a notice of redemption and no Refunded Bonds should be delivered to The Bank of New York Mellon Trust Company, N.A., as successor to J.P. Morgan Trust Company, N.A., Jacksonville, Florida, as paying agent for the Refunded Bonds, as a result of this Notice.**

Dated this 14<sup>th</sup> day of February, 2014.

CITY OF GAINESVILLE, FLORIDA

28.  
**Myhrer, Lisa (LAK - X35355)**

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**From:** EMMANotifications@msrb.org  
**Sent:** Thursday, February 20, 2014 11:15 AM  
**To:** Myhrer, Lisa (LAK - X35355)  
**Subject:** Published Submission Confirmation

Your Continuing Disclosure Submission has been published.

SubmissionId: ER610864

Disclosure Type: EVENT FILING

Defeasance: Notice of Defeasance 2005 Bonds dated 02/14/2014

Document Name: Event Filing dated 02/14/2014 dated 02/20/2014  
Gainesville Notice of Defeasance.pdf posted 02/20/2014 11:06:20 AM

The following Issuers are associated with this Continuing Disclosure Submission:

CUSIP6	State	Issuer Name
362794	FL	GAINESVILLE FLA CAP IMPT REV

The following 10 Securities have been published with this Continuing Disclosure Submission:

Security:	CUSIP - 362794AL3,	Maturity Date - 10/01/2016
Security:	CUSIP - 362794AM1,	Maturity Date - 10/01/2017
Security:	CUSIP - 362794AN9,	Maturity Date - 10/01/2018
Security:	CUSIP - 362794AP4,	Maturity Date - 10/01/2019
Security:	CUSIP - 362794AQ2,	Maturity Date - 10/01/2020
Security:	CUSIP - 362794AR0,	Maturity Date - 10/01/2021
Security:	CUSIP - 362794AS8,	Maturity Date - 10/01/2022
Security:	CUSIP - 362794AT6,	Maturity Date - 10/01/2023
Security:	CUSIP - 362794AU3,	Maturity Date - 10/01/2024
Security:	CUSIP - 362794AV1,	Maturity Date - 10/01/2025

Please follow the link to view this submission:

<http://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?submissionId=ER610864>

Please follow the link to make changes to this submission:

<http://emma.msrb.org/Submission/ContinuingDisclosureTypeSelect.aspx?sid=ER610864>

PLEASE DO NOT REPLY. This is a system-generated e-mail. If you need assistance please contact the MSRB at 703-797-6668 or you may obtain more information at [www.msrb.org](http://www.msrb.org).



Submission ID:ER610864  
02/20/2014 11:06:20

**CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)****EVENT FILING (CUSIP-9 BASED)****Rule 15c2-12 Disclosure**

Defeasance: Notice of Defeasance 2005 Bonds, dated 02/14/2014

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**DOCUMENTS****Event Filing dated 02/14/2014**

└Gainesville Notice of Defeasance.pdf posted 02/20/2014

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**THE FOLLOWING ISSUERS ARE ASSOCIATED WITH THIS CONTINUING DISCLOSURE SUBMISSION:**

CUSIP-6	State	Issuer Name
362794	FL	GAINESVILLE FLA CAP IMPT REV

**THE FOLLOWING 10 SECURITIES HAVE BEEN PUBLISHED WITH THIS CONTINUING DISCLOSURE SUBMISSION:**

CUSIP-9	Maturity Date
362794AL3	10/01/2016
362794AM1	10/01/2017
362794AN9	10/01/2018
362794AP4	10/01/2019
362794AQ2	10/01/2020
362794AR0	10/01/2021
362794AS8	10/01/2022
362794AT6	10/01/2023
362794AU3	10/01/2024
362794AV1	10/01/2025

---

**Issuer's Contact Information**

Company: City of Gainesville  
Name: MARK BENTON  
Address: 200 EAST UNIVERSITY AVENUE  
City, State Zip: GAINESVILLE, FL 32601  
Phone Number: 3523345054  
Email: bentonms@ci.gainesville.fl.us

**Obligor's Contact Information**

Company: City of Gainesville  
Name: MARK BENTON  
Address: 200 EAST UNIVERSITY AVENUE  
City, State Zip: GAINESVILLE, FL 32601  
Phone Number: 3523345054  
Email: bentonms@ci.gainesville.fl.us

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# Holland & Knight

2115 Harden Boulevard | Lakeland, FL 33803 | T 863.682.1161 | F 863.688.1186  
Holland & Knight LLP | [www.hklaw.com](http://www.hklaw.com)

Edward W. Vogel III  
863 499 5356  
[ed.vogel@hklaw.com](mailto:ed.vogel@hklaw.com)

February 14, 2014

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

MBIA Insurance Corporation  
113 King Street  
Armonk, New York 10504

Attn: Surveillance

Re: City of Gainesville, Florida Capital Improvement Revenue Bonds, Series  
2005 maturing on October 1 of the years 2016 through 2025, inclusive  
(the "Refunded Bonds")

Ladies and Gentlemen:

Pursuant to the requirements of Section 13C of Resolution No. 050532 adopted on October 24, 2005 by the City Commission of the City of Gainesville, Florida (the "City"), I am hereby notifying you of the issuance by the City of its Refunding Revenue Note, Series 2014 on February 14, 2014, the proceeds of which, together with certain other funds of the City, will be used to defease the Refunded Bonds to maturity or earlier redemption on October 1, 2015. A form of the Notice of Defeasance that is expected to be filed is attached.

Sincerely yours,

HOLLAND & KNIGHT LLP



Edward W. Vogel III

EWV/lcm  
#27628397\_v1  
16334-46  
Attachment

FINANCIAL ADVISOR'S DISCLOSURE CERTIFICATE

Public Financial Management, Inc., with respect to the \$14,715,000 City of Gainesville, Florida Refunding Revenue Note, Series 2014 (the "2014 Note"), **HEREBY CERTIFIES** the following:

No fee, bonus or gratuity has been paid by us in connection with the 2014 Note, to any person not regularly employed or engaged by us.

Dated this 14<sup>th</sup> day of February, 2014.

PUBLIC FINANCIAL MANAGEMENT, INC.

By: 

Title: James W. Glover

Its: Managing Director



**The PFM Group**  
Public Financial Management, Inc.  
PFM Asset Management LLC  
PFM Advisors

Lincoln Plaza  
Suite 1170  
300 S. Orange Avenue  
Orlando, FL  
32801-3470

407 648-2208  
407-648-1323 fax  
www.pfm.com

31.

## MEMORANDUM

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**TO:** Working Group

**FROM:** Jay Glover, Public Financial Management

**DATE:** February 14, 2014

**RE:** City of Gainesville, Florida  
Refunding Revenue Note, Series 2014  
Closing Wiring Instructions

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On Friday, February 14, 2014 the closing for the City's Refunding Revenue Note, Series 2014 (the "2014 Note") will occur. The following wire transfers will occur during the closing of the 2014 Note.

- 1) TD Bank will wire \$14,666,937.85 to the Bank of New York Mellon Trust Company, N.A. as Escrow Agent per the following instructions.

The Bank of New York Mellon, New York, NY  
ABA #021000018  
GLA #111565  
TAS #888491  
Re: GAINESVILLE FL 2014 ESC FBO 05 BDS  
City of Gainesville  
200 E. University Avenue  
Gainesville, Florida 32601

- 2) TD Bank will wire \$48,062.15 to the City per the following instructions.

SunTrust Bank  
ABA# 061000104  
City of Gainesville FL Master Treasury  
Account# 6050050005274  
City of Gainesville  
200 E. University Avenue  
Gainesville, Florida 32601



- 3) The City will wire \$201,056.25 (sinking fund contribution) to the Bank of New York Mellon Trust Company, N.A. as Escrow Agent per the following instructions.

The Bank of New York Mellon, New York, NY

ABA #021000018

GLA #111565

TAS #888491

Re: GAINESVILLE FL 2014 ESC FBO 05 BDS

If you have any questions or require any additional information, please do not hesitate to contact me at (407) 406-5760.

A handwritten signature in blue ink, appearing to read 'Mark Benton', is positioned above the printed name.

Mark Benton  
Finance Director  
City of Gainesville, Florida