



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410-7000

OFFICE OF THE ASSISTANT SECRETARY  
FOR COMMUNITY PLANNING AND DEVELOPMENT

April 10, 2015

Dear Sir or Madam:

Enclosed are documents that the City of Alachua (the "Borrower") requested related to the pending public offering of trust certificates guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. The public offering date is firm for May 28, 2015, except for adverse market conditions. The offering will be underwritten by Credit Suisse Securities (USA) LLC and Bank of America Merrill Lynch. Capitalized terms used in this letter are more fully defined in the enclosed documents.

Even though the public offering will not be held until May 28, 2015, it is necessary that the Department of Housing and Urban Development (HUD) receive the properly executed documents from you by close of business on May 5, 2015. We must verify that we have all documents from all Borrowers, and that they are satisfactory, before pricing and before we can sign the Underwriting Agreement. If we do not receive the documents from you by May 5, your note will not be included in the public offering on May 28.

This underwritten public offering will be conducted pursuant to legislation which permits HUD to guarantee trust certificates that are backed by a trust composed of notes or other obligations guaranteed under Section 108. Your note will be included in such a trust, together with the notes of other participating Borrowers.

The enclosed public offering documents, which must be executed by the authorized representative of the Borrower identified in its counsel's legal opinion, are the promissory note ("Note") and the Contract for Loan Guarantee Assistance ("Contract"). [It is preferred, but not required, that documents be signed in blue ink.] The opinion of counsel to the Borrower is required pursuant to paragraph 4(b) of the Contract and a model opinion with attached instructions is enclosed for the guidance of counsel. Because the Borrower is not receiving funds for new activities (i.e., activities not covered by the existing Contract) at this offering, no new additional security Contract provisions are required for this offering; the Contract incorporates the previous additional security provisions.

As noted in paragraph 15 of the enclosed Contract, the proceeds from the Note will be deposited into a defeasance account and will be used solely to prepay an outstanding promissory note that was included in a previous public offering. You will be required to remit, in accordance with the instructions referenced below, the scheduled interest payment next due under the previously issued note. This amount will also be deposited into the defeasance account.

After it is executed by the Borrower and returned to HUD, the Note (which is not effective until guaranteed by HUD at the closing of the public offering) will be delivered by HUD to The Bank of New York Mellon, as Trustee, two days before the public offering date and will be held in trust. At closing, the Trustee will issue a single, separate certificate for each Principal Due Date specified in the Note. Each such certificate shall specify the applicable pass-through interest rate, which rate(s) will also be entered in Schedule P&I attached to the Note for the applicable Principal Due Dates. An interest rate will be established for each trust certificate at pricing by the underwriters one week before the public offering date.

The Aggregate Principal Amount of the Note shall be repaid in accordance with the Schedule P&I attached thereto. Interest will accrue on each Principal Amount at the pass-through interest rate on the related trust certificate, payable on the applicable Interest Due Date (each February 1 or August 1, beginning August 1, 2015), through the Principal Due Date on the schedule attached to the Note (which dates correspond to the related distribution dates of payments to investors on the trust certificates). Each interest payment will consist of the aggregate of the interest amounts accrued to the applicable date on the entire principal balance of the Note. However, all payments on the Note are actually due to the Trustee on the Note Payment Date seven Business Days before the applicable Interest Due Date or Principal Due Date. This is necessary to enable the Trustee to aggregate the payments and direct them to the proper investors, and also to enable HUD to honor its Guarantee by making payment on behalf of the Borrower from pledged grant funds if necessary. You will be notified by the Trustee of the amount of the required payment one month before each Note Payment Date.

The Note and Contract reference the Trust Agreement and the Amended and Restated Master Fiscal Agency Agreement, both of which are enclosed. Pursuant to the Contract, the Borrower consents to the selection of The Bank of New York Mellon as Trustee and agrees to the terms of the public offering, including the Trust Agreement. The Trust Agreement principally sets forth duties and responsibilities of the Trustee, but certain provisions of interest to borrowers are included, including compensation and indemnification of the Trustee, which is secured only by the security specified in paragraph 5 of the Contract. The Fiscal Agency Agreement and Trust documents are enclosed for your reference; please do not return them to HUD.

The Contract provides when and how payment of the costs (fees) of the public offering is to be made. The final amount of the costs will not be known until the week before the public offering date. We will notify you of the amount at that time.

The enclosed form for wire transfer of funds provides the information that you will need to remit the costs of the public offering as well as the next scheduled interest payment on the previously issued note. These funds must be remitted no later than 10:30 a.m., May 27, 2015.

Please return the executed documents and the legal opinion by May 5, 2015 to:

U.S. Department of Housing and Urban Development  
Attention: Paul Webster, Director  
Financial Management Division  
451 Seventh St., S.W., Room 7180  
Washington, D.C. 20410

If you have any questions regarding this letter, please contact either myself or ShaRon McCrae at 202-402-4340, or send an email to [paul.webster@hud.gov](mailto:paul.webster@hud.gov) and [ShaRon.McCrae@hud.gov](mailto:ShaRon.McCrae@hud.gov) (please be sure to copy both addresses). If your counsel has any questions about the legal opinion, please have your counsel contact Carey Whitehead or Makani Drummond of our Office of General Counsel at (202) 402-3106 or (202) 402-6192, respectively, or by email at [carey.c.whitehead@hud.gov](mailto:carey.c.whitehead@hud.gov) or [Makani.D.Drummond@hud.gov](mailto:Makani.D.Drummond@hud.gov).

Sincerely,

/S/

Paul Webster  
Director  
Financial Management Division

Enclosures