

RESOLUTION 16-06

A RESOLUTION OF THE CITY OF ALACHUA, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$18,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF THE CITY OF ALACHUA, FLORIDA CAPITAL IMPROVEMENT REVENUE AND REVENUE REFUNDING BONDS, SERIES 2016 FOR THE PURPOSE OF REFUNDING ALL OF THE CITY'S OUTSTANDING CAPITAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2006 IN ORDER TO ACHIEVE DEBT SERVICE SAVINGS, AND TO FINANCE THE ACQUISITION, CONSTRUCTION, EQUIPPING AND INSTALLATION OF VARIOUS CAPITAL IMPROVEMENTS WITHIN THE CITY; ESTABLISHING ITS INTENT TO REIMBURSE SUCH CAPITAL EXPENDITURES WITH THE PROCEEDS OF SUCH SERIES 2016 BONDS; COVENANTING TO BUDGET, APPROPRIATE AND DEPOSIT LEGALLY AVAILABLE NON-AD VALOREM REVENUES TO PROVIDE FOR THE PAYMENT THEREOF; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE OWNERS OF SUCH SERIES 2016 BONDS; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF THE CITY TO EXECUTE ANY DOCUMENT AND TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE COMPETITIVE SALE, ISSUANCE AND DELIVERY OF SUCH SERIES 2016 BONDS; TAKING CERTAIN OTHER ACTIONS WITH RESPECT TO SUCH BONDS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF ALACHUA COMMISSION:

**ARTICLE I
GENERAL**

Section 1.01 Definitions. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Act" shall mean, collectively, the Constitution and laws of the State of Florida, including particularly, Chapter 166, Part II, Florida Statutes, the City Charter, and other applicable provisions of law.

"Ad Valorem Revenues" shall mean all revenues of the Issuer derived from the levy and collection of ad valorem taxes.

"Amortization Installment" shall mean an amount designated as such by Supplemental Resolution of the Issuer and established with respect to any Term Bonds.

"Authorized Issuer Officer" shall mean the Mayor, the City Manager, the Finance Director and when used in reference to any act or document, also means any other person authorized by resolution of the Issuer to perform such act or sign such document.

"Bond Amortization Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.03 hereof.

"Bond Counsel" shall mean initially, Bryant Miller Olive P.A., and thereafter, any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Insurance Policy" shall mean the municipal Series 2016 Bond new issue insurance policy issued by the Bond Insurer, if any, that guarantees payment of principal of and interest on the Series 2016 Bonds.

"Bond Insurer" shall mean the municipal bond insurance company as specified in this Resolution, if any. All references to Bond Insurer shall only be applicable and effective during any period when its Bond Insurance Policy is in full force and effect and only as to Bonds which it insures.

"Bondholder" or "Owner" or "Holder" or any similar term, when used with reference to a Series 2016 Bond or Series 2016 Bonds, shall mean any Person who shall be the registered owner of any Outstanding Series 2016 Bond or Series 2016 Bonds as provided in the registration books of the Issuer.

"Business Day" means a day other than (i) a Saturday, Sunday, legal holiday or day on which banking institutions in the city in which the Paying Agent has its principal office are authorized by law or executive order to close, or (ii) a day on which the New York Stock Exchange is closed.

"City Attorney" means the City Attorney of the City or any Assistant or Deputy City Attorney, or his or her designee.

"City Clerk" means the City Clerk of the City or any Assistant or Deputy City Clerk, or his or her designee.

"City Commission" means the City Commission of the City of Alachua, Florida.

"City Manager" means the City Manager of the City or any Assistant or Deputy City Manager, or his or her designee.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

"Construction Fund" shall mean the City of Alachua Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 Construction Fund established and maintained pursuant to Section 4.07 hereof.

"Cost," when used in connection with the Project, shall mean: (1) the Issuer's cost of physical construction, (2) the costs of acquisition by or for the Issuer of the Project, (3) the costs of land and interests therein and the cost of the Issuer incidental to such acquisition; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction, (5) all interest due to be paid on the Series 2016 Bonds during the period of acquisition, construction and equipping of the Project and for such period subsequent to completion as the Issuer shall determine; (6) engineering, legal and other consultant fees and expenses, (7) costs and expenses of the financing, including audits, fees and expenses of any Paying Agent, Registrar or depository, (8) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Issuer (other than the Series 2016 Bonds) incurred for the Project, (9) the costs of machinery, equipment and supplies and reserves required by the Issuer for the commencement of operation of the Project, and (10) any other costs properly attributable to such acquisition, construction and equipping, as determined by generally accepted accounting principles applicable to the Issuer, and shall include reimbursement to the Issuer for any such items of Cost heretofore paid by the Issuer and interest on any inter-fund loan related thereto.

"Debt Service Fund" shall mean the City of Alachua Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 Debt Service Fund established and maintained pursuant to Section 4.03 hereof.

"Federal Securities" shall mean direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which are not redeemable prior to maturity at the option of the obligor.

"Finance Director" means the Finance Director of the City or any Assistant or Deputy Finance Director, or his or her designee.

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"Interest Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.03 hereof.

"Interest Date" shall be the dates specified in a Supplemental Resolution adopted prior to the issuance of the Series 2016 Bonds.

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

"Mayor" shall mean the Mayor of the Issuer, or in his or her absence or unavailability, the Vice-Mayor of the Issuer.

"Non-Ad Valorem Revenues" shall mean all legally available revenues of the Issuer other than Ad Valorem Revenues.

"Outstanding" when used with reference to Series 2016 Bonds and as of any particular date, shall describe all Series 2016 Bonds theretofore and thereupon being authenticated and delivered except, (1) any Series 2016 Bond in lieu of which another Series 2016 Bond or other Series 2016 Bonds have been issued under an agreement to replace lost, mutilated or destroyed Series 2016 Bonds, (2) any Series 2016 Bond surrendered by the Holder thereof in exchange for another Series 2016 Bond or other Bonds under Section 2.07 hereof, (3) Series 2016 Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity, and (4) Series 2016 Bonds deemed paid in accordance with Section 8.01 hereof.

"Paying Agent" shall mean any paying agent for Series 2016 Bonds appointed by or pursuant to this Resolution and its successors or assigns, and any other Person which may at any time be substituted in its place pursuant to this Resolution.

"Permitted Investments" shall mean investments permitted by the Issuer's written investment policy, if any, and applicable law.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Funds" shall mean (1) Non-Ad Valorem Revenues budgeted and appropriated by the Issuer in accordance with Section 4.02 hereof and deposited into the Debt Service Fund, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including the investments thereof, in the funds and accounts established hereunder, with the exception of the Rebate Fund.

"Principal Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.03 hereof.

"Project" shall mean: (i) the acquisition, construction and equipping of a Public Services Operations Center/Warehouse, and (ii) the acquisition, construction and equipping of a multi-purpose building to be built on a portion of 105 acres that is contiguous to the Issuer's existing recreation center, known as Project Legacy Phase I, each as more particularly described in the

plans and specifications on file or to be on file with the Issuer, as the same may be modified or amended from time to time.

"Rebate Amount" means the excess of the future value, as of a computation date, of all receipts on nonpurpose investments (as defined in Section 1.148-1(b) of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by regulations under the Code implementing Section 148 thereof.

"Rebate Fund" shall mean the City of Alachua, Florida Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 Rebate Fund established pursuant to Section 5.05 hereof.

"Redemption Price" shall mean, with respect to any Series 2016 Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series 2016 Bond or this Resolution.

"Refunded Bonds" shall mean all of the outstanding Series 2006 Bonds, as more fully described pursuant to a Supplemental Resolution.

"Registrar" shall mean any registrar for the Series 2016 Bonds appointed by or pursuant to a Supplemental Resolution and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to a Supplemental Resolution.

"Resolution" shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"Serial Bonds" shall mean all of the Series 2016 Bonds other than the Term Bonds.

"Series 2006 Bonds" shall mean the \$8,095,000 original aggregate principal amount City of Alachua, Florida Capital Improvement and Refunding Revenue Bonds, Series 2006.

"Series 2016 Bonds" shall mean the City of Alachua, Florida Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016, issued pursuant to this Resolution.

"State" shall mean the State of Florida.

"Supplemental Resolution" shall mean any resolution of the Issuer amending or supplementing this Resolution adopted and becoming effective in accordance with the terms of Sections 7.01 and 7.02 hereof.

"Term Bonds" shall mean those Series 2016 Bonds which shall be designated as Term Bonds hereby or by Supplemental Resolution of the Issuer and which are subject to mandatory redemption by Amortization Installments.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms, shall refer to this Resolution; the term heretofore shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

Section 1.02 Authority for Resolution. This Resolution is adopted pursuant to the provisions of the Act.

Section 1.03 Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Series 2016 Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Owners of the Series 2016 Bonds and shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Series 2016 Bonds. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Owners of any and all of said Series 2016 Bonds. All of the Series 2016 Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2016 Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

Section 1.04 Findings. It is hereby ascertained, determined and declared as follows:

(1) The Issuer previously issued the Series 2006 Bonds.

(2) The proceeds of the Series 2006 Bonds were used by the Issuer to pay the cost of: (i) construction of a new City Hall and Police Administration Building, including the acquisition and installation of furniture, fixtures and equipment necessary and appurtenant thereto, (ii) the refunding of the Issuer's outstanding Governmental Unit Note evidencing a loan to the Issuer from the City of Arcadia, Florida from its Local Government Revenue Bonds, Series 1993, Dedicated Pool, Sales Tax Revenue Note, Series 1995 and Sales Tax Revenue Note, Series 2000, the proceeds of which were used to finance the cost of a capital project, and (iii) payment of certain expenses related to the issuance of the Refunded Bonds.

(3) The Issuer has various capital improvement needs and requirements in the form of the Project that should be acquired, constructed and equipped in order to improve and maintain the health, safety and welfare of the Issuer and its inhabitants.

(4) To obtain substantial debt service savings and to improve and maintain the health, safety and welfare of the Issuer and its inhabitants, it is in the best interests of the Issuer to provide for the issuance of the Series 2016 Bonds, in an aggregate principal amount not to exceed \$18,000,000, the proceeds of which, together with other legally available funds of the

Issuer, will be used to: (i) refund the Refunded Bonds, (ii) finance the Project, and (iii) pay certain expenses related to the issuance of the Series 2016 Bonds.

(5) The issuance of the Series 2016 Bonds will, therefore, have a substantial public benefit and serve a public purpose of the Issuer.

(6) The Issuer is authorized under the Act to issue the Series 2016 Bonds and to use the proceeds thereof, together with other legally available funds of the Issuer, to: (i) refund the Refunded Bonds, (ii) finance the Project, and (iii) pay certain expenses related to the issuance of the Series 2016 Bonds.

(7) Debt service on the Series 2016 Bonds will be secured by a covenant to budget, appropriate and deposit Non-Ad Valorem Revenues as provided herein and a lien on Pledged Funds. The Pledged Funds are expected to be sufficient to pay the principal and interest on the Series 2016 Bonds herein authorized, as the same become due, and to make all deposits required by this Resolution.

(8) The Issuer shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Series 2016 Bonds or to make any other payments to be made hereunder or to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any other Non-Ad Valorem Revenues. The Series 2016 Bonds shall not constitute a lien on any property owned by or situated within the limits of the Issuer.

(9) It is estimated that the Non-Ad Valorem Revenues will be available after satisfying funding requirements for obligations having an express lien on or pledge thereof and after satisfying funding requirements for essential governmental services of the Issuer, in amounts sufficient to provide for the payment of the principal of and interest on the Series 2016 Bonds and all other payment obligations hereunder.

(10) The principal of and interest on the Series 2016 Bonds and all other payments provided for in this Resolution will be paid solely from the Pledged Funds, and the ad valorem taxing power or ad valorem tax revenues of the Issuer will never be necessary or required to pay the principal of and interest on the Series 2016 Bonds and, except as otherwise provided herein, the Series 2016 Bonds shall not constitute a lien upon any property of the Issuer.

Section 1.05 Authorization of the Project and Refunding of Refunded Bonds. The Issuer does hereby authorize the acquisition, construction and equipping of the Project and the refunding of the Refunded Bonds.

Section 1.06 Declaration of Official Intent. The Issuer does hereby express its intention to be reimbursed from proceeds of the Series 2016 Bonds, or a future series of tax-exempt bonds, for certain capital expenditures to be paid by the Issuer for the purpose of acquiring, constructing

and equipping the Project. The Issuer expects to use legally available funds, if any, to pay such costs, including the costs of design, and other costs associated with the incurrence of debt. It is reasonably expected that the total amount of debt to be incurred by the Issuer with respect to the Project will not exceed \$11,000,000. This Resolution is intended to constitute a "declaration of official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations which were promulgated pursuant to the Internal Revenue Code of 1986, as amended, with respect to the debt incurred, in one or more financings, to finance the Project.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 2.01 Authorization of Bonds. The Issuer hereby authorizes a series of bonds of the Issuer to be designated as "City of Alachua, Florida Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016" in an aggregate principal amount of not to exceed \$18,000,000. The proceeds of the Series 2016 Bonds, together with other legally available funds of the Issuer, including certain funds held under the funds and accounts securing the Refunded Bonds, shall be used to (i) refund the Refunded Bonds, (ii) finance the Project, and (iii) pay certain expenses related to the issuance of the Series 2016 Bonds.

The Series 2016 Bonds may, if and when authorized by the Issuer pursuant to this Resolution, be issued with such further appropriate particular designations added to or incorporated in such title for the Series 2016 Bonds as the Issuer may determine.

The Series 2016 Bonds shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined hereunder and by Supplemental Resolution of the Issuer.

The Series 2016 Bonds shall be issued in denominations of \$5,000 or integral multiples thereof, in such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agent and Registrar; and shall mature in such years and amounts; all as determined hereunder and by the Supplemental Resolution.

Section 2.02 Description of Bonds. The Series 2016 Bonds shall be numbered consecutively from one upward in order of maturity preceded by the letter "RA," shall bear interest at a rate or rates not exceeding the maximum rate allowed by Florida law, payable in such manner and on such dates, shall consist of such amounts of Serial Bonds and Term Bonds maturing in such amounts or Amortization Installments and on such dates, shall be payable in such place or places; shall have such Paying Agent and Registrar, and shall contain such redemption provisions, all as the Issuer shall provide hereafter by Supplemental Resolution.

The principal of or Redemption Price, if applicable, on the Series 2016 Bonds are payable upon presentation and surrender of the Series 2016 Bonds at the designated office of the Paying Agent. Interest payable on any such Series 2016 Bond on any Interest Date will be paid by check or draft of the Paying Agent to the Holder in whose name such Series 2016 Bond shall be registered at the close of business on the date which shall be the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding such Interest Date, or, unless otherwise provided by Supplemental Resolution, at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any such Series 2016 Bond is not punctually paid or duly provided for by the Issuer on such Interest Date, such defaulted interest will be paid to the Holder in whose name such Series 2016 Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Holder, not less than ten days preceding such special record date. All payments of principal of or Redemption Price, if applicable, and interest on the Series 2016 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 2.03 Application of Series 2016 Bond Proceeds. The proceeds derived from the sale of the Series 2016 Bonds, including net premium, if any, together with certain funds held in the funds and accounts securing the Refunded Bonds shall, simultaneously with the delivery of the Series 2016 Bonds to the purchaser or purchasers thereof, be applied by the Issuer (i) to the payment of costs and expenses, including underwriting, legal and financial advisory fees and expenses relating to the issuance of the Series 2016 Bonds, (ii) to pay, taking into account investment earnings, if any, the principal of and interest and redemption premiums, if any, on the Refunded Bonds when due in accordance with the schedules to be attached to an escrow deposit agreement, the form of which is to be approved by Supplemental Resolution, and (iii) to the payment of the Cost of the Project.

Section 2.04 Execution of Bonds. The Series 2016 Bonds shall be executed in the name of the Issuer by the Mayor and attested and countersigned by its City Manager and City Clerk, either manually or with their facsimile signatures, and the corporate seal of the Issuer or a facsimile thereof shall be affixed thereto or reproduced thereon. The Certificate of Authentication of the Registrar shall appear on the Series 2016 Bonds, and no Series 2016 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless such certificate shall have been duly executed on such Series 2016 Bond. The authorized signature for the Registrar shall be either manual or in facsimile; provided, however, that at least one of the above signatures, including that of the authorized signature for the Registrar, appearing on the Series 2016 Bonds shall at all times be a manual signature. In case any one or more of the officers who shall have signed or sealed any of the Series 2016 Bonds shall cease to be such officer of the Issuer before the Series 2016 Bonds so signed and sealed shall have been actually sold and delivered, such Series 2016 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2016 Bonds had not ceased to hold such office. Any Series 2016 Bonds may be signed

and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2016 Bonds shall hold the proper office, although at the date of such Series 2016 Bonds such person may not have held such office or may not have been so authorized.

Section 2.05 Authentication. No Series 2016 Bond shall be secured hereunder or be entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Series 2016 Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Series 2016 Bond shall be conclusive evidence that such Series 2016 Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.09 hereof.

Section 2.06 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Series 2016 Bond of like tenor as the Series 2016 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2016 Bond upon surrender and cancellation of such mutilated Series 2016 Bond or in *lieu* of and substitution for the Series 2016 Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of such Holder's ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Series 2016 Bonds so surrendered or otherwise substituted shall be canceled by the Registrar. If any of the Series 2016 Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Series 2016 Bond to be paid, upon being indemnified as aforesaid, and if such Series 2016 Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.06 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Series 2016 Bond be at any time found by anyone, and such duplicate Series 2016 Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

Section 2.07 Transfer. Series 2016 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity of any other authorized denominations.

The Series 2016 Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the commercial laws and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in this Resolution and in the Series 2016 Bonds. So long as any of the Series 2016 Bonds shall remain

Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Series 2016 Bonds.

Each Series 2016 Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by such Holder's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Series 2016 Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Series 2016 Bond or Series 2016 Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Series 2016 Bond shall be registered upon the books of the Issuer as the absolute owner of such Series 2016 Bond, whether such Series 2016 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Series 2016 Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Series 2016 Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to the Series 2016 Bonds, forthwith (A) following the fifteenth (15th) day prior to an Interest Date; (B) following the fifteenth (15th) day next preceding the date of first mailing of notice of redemption of any Series 2016 Bonds; and (C) at any other time as reasonably requested by the Paying Agent, shall certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Series 2016 Bond shall effect payment of interest on such Series 2016 Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Series 2016 Bonds or transferring Series 2016 Bonds is exercised, the Issuer shall execute and the Registrar shall authenticate and deliver such Series 2016 Bonds in accordance with the provisions of this Resolution. Execution of Bonds in the same manner as is provided in Section 2.04 hereof for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Series 2016 Bonds. All Series 2016 Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the Issuer to be canceled by the Registrar. For every such exchange or transfer of Series 2016 Bonds, the Issuer or the Registrar 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 Issuer and the Registrar shall not be obligated to make any such exchange or transfer of Series 2016 Bonds during the fifteen days

next preceding an Interest Date on the Series 2016 Bonds, or, in the case of any proposed redemption of Series 2016 Bonds, then during the fifteen days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

Section 2.08 Book Entry. A blanket issuer letter of representations dated September 3, 2003 (the "Blanket Letter") was entered into by the Issuer with The Depository Trust Company ("DTC"). It is intended that the Series 2016 Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such Blanket Letter. The terms and conditions of such Blanket Letter shall govern the registration of the Series 2016 Bonds. The Series 2016 Bonds shall be initially issued in the form of a single fully registered Series 2016 Bond for each maturity. Upon initial issuance, the ownership of such Series 2016 Bonds shall be registered by the Registrar in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. So long as any Series 2016 Bond is registered in the name of DTC (or its nominee), the Issuer, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive holder of such Series 2016 Bonds registered in its name, and all payments with respect to the principal or redemption price of, if any, and interest on such Series 2016 Bond ("Payments") and all notices with respect to such Series 2016 Bond ("Notices") shall be made or given, as the case may be, to DTC. Transfers of Payments and delivery of Notices to DTC Participants shall be the responsibility of DTC and not of the Issuer, subject to any statutory and regulatory requirements as may be in effect from time to time. Transfers of Payments and delivery of Notices to beneficial owners of the Series 2016 Bonds by DTC Participants shall be the responsibility of such participants, indirect participants and other nominees of such beneficial owners and not of the Issuer, subject to any statutory and regulatory requirements as may be in effect from time to time.

Upon (I) (a) receipt by the Issuer of written notice from DTC: (i) to the effect that a continuation of the requirement that all of the Outstanding Series 2016 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2016 Bonds, or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, (b) termination, for any reason, of the agreement among the Issuer, the Registrar and Paying Agent and DTC evidenced by the Blanket Letter, or (c) determination by the Issuer that such book-entry only system should be discontinued by the Issuer, and (II) compliance with the requirements of any agreement between the Issuer and DTC with respect thereto, the Series 2016 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions hereof. In such event, the Issuer shall issue and the Registrar shall authenticate, transfer and exchange Series 2016 Bonds consistent with the terms hereof, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket

Letter shall apply to the registration and transfer of the Series 2016 Bonds and to Payments and Notices with respect thereto.

Section 2.09 Form of Bonds. The text of the Series 2016 Bonds shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor and City Manager prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by the Issuer's delivery of the Series 2016 Bonds to the purchaser or purchasers thereof):

No. R-_____

\$

CITY OF ALACHUA, FLORIDA
CAPITAL IMPROVEMENT REVENUE AND
REVENUE REFUNDING BONDS, SERIES 2016

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	October 1, ____	_____, 2016	_____

Registered Holder: _____

Principal Amount: _____

KNOW ALL MEN BY THESE PRESENTS, that the City of Alachua, Florida, a municipal corporation organized under the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above on October 1 and April 1 of each year commencing October 1, 2016 until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

The principal of and redemption premium, if applicable, on this Series 2016 Bond is payable upon presentation and surrender of this Series 2016 Bond at the designated office of the Paying Agent. Interest payable on this Series 2016 Bond on any interest date will be paid by check or draft of the Paying Agent to the Registered Holder in whose name this Series 2016 Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a Business Day) of the calendar month next preceding such interest payment date, or, at the option of the Paying Agent, and at the request and expense of such Registered

Holder, by bank wire transfer for the account of such Registered Holder. In the event the interest payable on this Series 2016 Bond is not punctually paid or duly provided for by the Issuer on such interest payment date, such defaulted interest will be paid to the Registered Holder in whose name this Series 2016 Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Registered Holder, not less than ten days preceding such special record date. All payments of principal of and redemption premium, if applicable, and interest on this Series 2016 Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Series 2016 Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$_____ (the "Series 2016 Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued for the purpose of refunding certain indebtedness and paying certain other costs (as more particularly described in the hereinafter defined Resolution), under the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly, Chapter 166, Part II, Florida Statutes, the City Charter, and other applicable provisions of law (collectively, the "Act"), and Resolution No. 16-06 duly adopted by the City Commission of the Issuer on March 14, 2016, as it may be amended and supplemented from time to time, and as particularly supplemented by Resolution No. 16-07 duly adopted by the City Commission of the Issuer on March 14, 2016 (collectively, the "Resolution"), and is subject to the terms and conditions of this Resolution. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Resolution.

The Series 2016 Bonds and the interest thereon are payable solely from and secured by an irrevocable pledge of the Pledged Funds. Pledged Funds consist of: (1) Non-Ad Valorem Revenues budgeted and appropriated by the Issuer in accordance with Section 4.02 of the Resolution and deposited into the Debt Service Fund, and (2) until applied in accordance with the provisions of the Resolution, all moneys, including the investments thereof, in the funds and accounts established thereunder, with the exception of the Rebate Fund. The Issuer has covenanted and agreed to appropriate in its annual budget for each Fiscal Year sufficient amounts of Non-Ad Valorem Revenues for the payment of principal of and interest on the Series 2016 Bonds in each Fiscal Year, and to make certain other payments required by the Resolution, subject to the limitations described in the Resolution. Reference is made to the Resolution for more complete description of the security for the Series 2016 Bonds.

IT IS EXPRESSLY AGREED BY THE REGISTERED HOLDER OF THIS SERIES 2016 BOND THAT NEITHER THE FULL FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF, ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THIS SERIES 2016 BOND AND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OR THE USE OF AD VALOREM TAX REVENUES OF THE ISSUER, THE STATE OF

FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL, PREMIUM, IF ANY, AND INTEREST. THIS SERIES 2016 BOND AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS.

This Series 2016 Bond is transferable in accordance with the terms of this Resolution only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by such Holder's attorney duly authorized in writing, upon the surrender of this Series 2016 Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or such Holder's attorney duly authorized in writing, and thereupon a new Series 2016 Bond or Series 2016 Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The Series 2016 Bonds are issuable in the form of fully registered bonds in the denominations of \$5,000 and integral multiples thereof, not exceeding the aggregate principal amount of the Series 2016 Bonds maturing on the same date. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Series 2016 Bond as the absolute owner hereof for all purposes, whether or not this Series 2016 Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer and the Registrar shall not be obligated to make any exchange or transfer of the Series 2016 Bonds during the fifteen days next preceding an interest payment date, or in the case of any proposed redemption of the Series 2016 Bonds, then, during the fifteen days next preceding the date of the first mailing of notice of such redemption.

[INSERT REDEMPTION PROVISIONS]

Notice of redemption is to be given in the manner provided in the Resolution.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Series 2016 Bonds does not violate any constitutional or statutory limitations or provisions.

Neither the members of the governing body of the Issuer nor any Person executing this Series 2016 Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Series 2016 Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Registrar.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City of Alachua, Florida, has issued this Series 2016 Bond and has caused the same to be signed by the Mayor, and attested and countersigned to by the City Manager and City Clerk, and its seal or facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the ____ day of _____, _____.

(SEAL)

CITY OF ALACHUA, FLORIDA

ATTESTED AND COUNTERSIGNED:

Mayor

City Manager and City Clerk

[INSERT STATEMENT OF _____ INSURANCE, IF INSURED]

CERTIFICATE OF AUTHENTICATION

This Series 2016 Bond is one of the Series 2016 Bonds of the issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

_____, 2016

Registrar

By: _____
Authorized Officer

ASSIGNMENT

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

Insert Social Security or Other
Identifying Number of Assignee

(Name and Address of Assignee)

the within Series 2016 Bond and does hereby irrevocably constitute and appoint _____ as attorneys to register the transfer of the said Series 2016 Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular without alteration or enlargement or any change whatsoever.

NOTICE: The signature to this Assignment must be guaranteed by an institution that is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

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

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of
survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfer to Minors Act of _____
(State)

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

[Remainder of Page Intentionally Left Blank]

ARTICLE III
REDEMPTION OF BONDS

Section 3.01 Privilege of Redemption. The Series 2016 Bonds may be subject to optional and/or mandatory redemption at the times and in the amounts provided by or pursuant to a Supplemental Resolution.

Section 3.02 Selection of Bonds to be Redeemed. The Series 2016 Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least sixty (60) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Series 2016 Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Series 2016 Bonds of a single maturity, the particular Series 2016 Bonds or portions of Series 2016 Bonds to be redeemed shall be selected not more than forty-five (45) days prior to the redemption date by the Registrar from the Outstanding Series 2016 Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2016 Bonds or portions of Series 2016 Bonds in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Series 2016 Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Series 2016 Bonds) in writing of the Series 2016 Bonds or portions of Series 2016 Bonds selected for redemption and, in the case of any Series 2016 Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 3.03 Notice of Redemption. Unless waived by any Holder of Series 2016 Bonds to be redeemed, notice of any redemption made pursuant to this section shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Holder of Series 2016 Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to this Section to any Holder of Series 2016 Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Owners of Series 2016 Bonds to be redeemed.

A notice of redemption may be contingent upon the occurrence of certain conditions and if such conditions do not occur, the notice will be deemed rescinded and of no force or effect. A notice of redemption may also be subject to rescission in the discretion of the Issuer; provided that such notice of such rescission shall be mailed to all affected Owners no later than three (3) Business Days prior to the date of redemption.

Every official notice of redemption shall be dated and shall state:

- (1) the redemption date,
- (2) the Redemption Price,
- (3) if less than all Outstanding Series 2016 Bonds are to be redeemed, the number (and, in the case of a partial redemption of any Bond, the principal amount) of each Series 2016 Bond to be redeemed,
- (4) any conditions to such redemption and, if applicable, a statement to the effect that such notice is subject to rescission by the Issuer,
- (5) that, on the redemption date, subject to the satisfaction of any conditions to such redemption set forth in the notice of redemption, the Redemption Price will become due and payable upon each such Series 2016 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (6) that such Series 2016 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar.

Section 3.04 Redemption of Portions of Bonds. Any Series 2016 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to, the Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Series 2016 Bond, without service charge, a new Series 2016 Bond or Series 2016 Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2016 Bonds so surrendered.

Section 3.05 Payment of Redeemed Bonds. Notice of redemption having been given substantially as aforesaid, the Series 2016 Bonds or portions of Series 2016 Bonds so to be redeemed shall, subject to any conditions to such redemption set forth in the notice of redemption, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2016 Bonds or portions of Series 2016 Bonds shall cease to bear interest. Upon surrender of such Series 2016 Bonds for redemption in accordance with said notice, such Series 2016 Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Series 2016 Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

ARTICLE IV
SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

Section 4.01 Bonds not to be Indebtedness of Issuer. THE SERIES 2016 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE ISSUER AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS. NO HOLDER OF ANY SERIES 2016 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OR THE USE OF AD VALOREM TAX REVENUES TO PAY SUCH SERIES 2016 BOND, FOR THE PAYMENT OF ANY AMOUNTS PAYABLE HEREUNDER, OR IN ORDER TO MAINTAIN ANY SERVICES OR PROGRAMS THAT GENERATE NON-AD VALOREM REVENUES, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2016 BOND FROM ANY MONEYS OF THE ISSUER EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED HEREIN.

Section 4.02 Covenant to Budget and Appropriate; Bonds Secured by Pledge of Pledged Funds.

(1) The Issuer covenants and agrees to appropriate in its annual budget, by amendment if necessary, for each Fiscal Year in which the Series 2016 Bonds remain Outstanding, and deposit into the Debt Service Fund, sufficient amounts of Non-Ad Valorem Revenues for the payment of principal of and interest on the Series 2016 Bonds and to make all other payments required hereunder in each such Fiscal Year. Such covenant and agreement on the part of the Issuer shall be cumulative and shall continue and carry over from Fiscal Year to Fiscal Year until all payments of principal of and interest on the Series 2016 Bonds shall have been budgeted, appropriated, deposited and actually paid. The Issuer agrees that this covenant and agreement shall be deemed to be entered into for the benefit of the holders of the Series 2016 Bonds and the Bond Insurer, if any, and that this obligation may be enforced in a court of competent jurisdiction. Notwithstanding the foregoing or any provision of this Resolution to the contrary, the Issuer does not covenant to maintain any services or programs now maintained or provided by the Issuer, including those programs and services which generate Non-Ad Valorem Revenues. Other than as provided in Section 5.01 hereof, this covenant and agreement shall not be construed as a limitation on the ability of the Issuer to pledge all or a portion of such Non-Ad Valorem Revenues or to covenant to budget and appropriate Non-Ad Valorem Revenues for other legally permissible purposes. Nothing herein shall be deemed to pledge ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and no Holder of Series 2016 Bonds or other Person may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Issuer for the payment of the Issuer's obligations hereunder.

However, this covenant to budget and appropriate in its annual budget for the purposes and in the manner stated herein has the effect of making available for the payment of the Series

2016 Bonds the Non-Ad Valorem Revenues of the Issuer in the manner provided herein and placing on the Issuer a positive duty to appropriate and budget, by amendment if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Section 166.241, Florida Statutes, insofar as there are not sufficient Non-Ad Valorem Revenues to comply with such covenant after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer. The obligation of the Issuer to make such payments from its Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues and funding requirements for essential public purposes affecting health, welfare and safety of the inhabitants of the Issuer. The Issuer has previously and, subject to Section 5.01 hereof, may hereafter provide a covenant to budget and appropriate Non-Ad Valorem Revenues or pledge all or a portion of such Non-Ad Valorem Revenues to provide for the payment of obligations (including debt obligations) incurred by the Issuer. No priority of payment among such obligations is established by the provision of a covenant to budget and appropriate Non-Ad Valorem Revenues for the payment thereof.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues until such funds are deposited in the Debt Service Fund established pursuant to Section 4.03 hereof, nor, subject to satisfaction of Section 5.01 hereof, does it preclude the Issuer from pledging in the future or covenanting to budget and appropriate in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Holders of the Series 2016 Bonds a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. The payment of the debt service of all of the Series 2016 Bonds issued hereunder shall be secured forthwith equally and ratably by a pledge of and a lien upon the Pledged Funds, as now or hereafter constituted. The Issuer does hereby irrevocably pledge such Pledged Funds to the payment of the principal of and interest on the Series 2016 Bonds issued pursuant to this Resolution, and the Issuer does hereby irrevocably agree to the deposit of Non-Ad Valorem Revenues into the Debt Service Fund at the times provided of the sums required to make payments required hereunder, and the payment of the principal of and interest thereon when due. The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

(2) Until applied in accordance with this Resolution, the Non-Ad Valorem Revenues deposited by the Issuer in the Debt Service Fund and other amounts on deposit from time to time in the funds and accounts established pursuant to Section 4.03 hereof, plus any earnings thereon, shall be pledged to the repayment of the Series 2016 Bonds.

Section 4.03 Debt Service Fund.

(1) The Issuer covenants and agrees to establish a separate fund to be known as the "City of Alachua, Florida Capital Improvement Revenue and Revenue Refunding Bonds, Series

2016 Debt Service Fund" (the "Debt Service Fund"). The Issuer shall maintain in the Debt Service Fund three accounts: the "Interest Account," the "Principal Account," and the "Bond Amortization Account."

(2) Moneys in the aforementioned funds and accounts, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders and for the further security of the Holders.

Section 4.04 Flow of Funds.

(1) Pursuant to Section 4.02 hereof, Non-Ad Valorem Revenues appropriated for such purpose shall be deposited or credited at least one (1) Business Day prior to the applicable due date, in the following manner:

(a)Interest Account. The Issuer shall deposit into or credit to the Interest Account the sum which, together with the balance in said Account, shall be equal to the interest on the Series 2016 Bonds accrued and unpaid and to accrue on such Interest Date. Moneys in the Interest Account shall be used to pay interest on the Series 2016 Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose.

(b)Principal Account. The Issuer shall deposit into or credit to the Principal Account the sum which, together with the balance in said Account, shall equal the portion of the principal on the Series 2016 Bonds next due. Moneys in the Principal Account shall be used to pay the principal of the Series 2016 Bonds as and when the same shall mature, and for no other purpose.

(c)Bond Amortization Account. The Issuer shall deposit into or credit to the Bond Amortization Account the sums which, together with the balance in said Account, shall equal the portion of the Amortization Installments of the Series 2016 Bonds next due. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

(2) On the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Series 2016 Bonds, the Issuer shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Series 2016 Bonds to be paid.

Section 4.05 Investments. The Debt Service Fund and the Construction Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Debt Service Fund and the Construction Fund may be invested and reinvested in Permitted Investments maturing not later than the date on which the moneys therein will be needed. Any and all income received by the Issuer from the investment of moneys in the Construction Fund, the Debt Service Fund, the

Interest Account, the Principal Account, and the Bond Amortization Account shall be retained in such respective Fund or Account unless otherwise required by applicable law.

Nothing contained in this Resolution shall prevent any Permitted Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Permitted Investments shall be valued at cost.

Section 4.06 Separate Accounts. The moneys required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, and funds allocated to the various funds and accounts 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 the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

Section 4.07 Construction Fund.

(1) The Issuer covenants and agrees to establish a separate fund to be known as the "City of Alachua, Florida Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 Construction Fund" (the "Construction Fund"), which shall be used only for payment of the Costs of the Project, including reimbursing the Issuer for certain expenditures previously made for Costs of the Project, if any.

(2) Moneys in the Construction Fund, until applied in payment of any item of the Cost of the Project in the manner hereinafter provided, shall be held in trust by the Issuer, and shall be subject to a lien and charge in favor of the Holders of the Series 2016 Bonds and for the further security of such Holders.

(3) The proceeds of insurance maintained against physical loss of or damage to the Project, or the contractors' performance bonds with respect thereto pertaining to the period of construction thereof, shall be deposited into the Construction Fund.

(4) The Issuer covenants that the acquisition, construction and installation of the Project will be completed without delay and in accordance with sound engineering practices. The Issuer shall make disbursements or payments from the Construction Fund to pay the Costs of the Project. The Issuer shall keep adequate records of such disbursements and payments and shall retain all of such records for at least three years from their dates. Notwithstanding any of the other provisions of this Section 4.07, to the extent that other moneys are not available

therefor, amounts in the Construction Fund shall be applied to the payment of principal and interest on Series 2016 Bonds, when due.

(5) The date of completion of acquisition and construction of the Project shall be determined by an Authorized Issuer Officer who shall certify such fact in writing. Promptly after the date of the completion of the Project, and after paying or making provisions for the payment of all unpaid items of the Costs of the Project, the Issuer shall apply such monies to the payment of interest on the Series 2016 Bonds or, upon receipt of an opinion of Bond Counsel, the Issuer may use any such balance for any lawful purpose.

ARTICLE V OTHER OBLIGATIONS AND COVENANTS OF ISSUER

Section 5.01 Anti-Dilution Test. The Issuer may incur additional debt secured by all or a portion of the Non-Ad Valorem Revenues only if the total amount of Non-Ad Valorem Revenues for the prior Fiscal Year were at least 3.50 times the maximum annual debt service of all debt (including all long-term financial obligations appearing on the Issuer's most recent audited financial statements and the debt proposed to be incurred) to be paid from Non-Ad Valorem Revenues other than debt exclusively paid from electric, water and sewer revenues (collectively, "Debt"), including any Debt payable from one or several specific revenue sources.

For purposes of calculating maximum annual debt service if the terms of the Debt are such that interest thereon for any future period of time is to be calculated at a rate which is not then susceptible of precise determination ("Variable Rate Debt"), interest on such Variable Rate Debt shall be computed as follows:

(a) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is less than or equal to 25% of the principal amount of all Debt (including the Debt proposed to be incurred), an interest rate equal to the higher of 12% per annum or *The Bond Buyer 40 Index* shall be assumed; or

(b) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is more than 25% of the principal amount of all Debt (including the Debt proposed to be incurred), the maximum rate which could be borne by such Variable Rate Debt shall be assumed.

For purposes of calculating maximum annual debt service, balloon indebtedness shall be assumed to amortize in up to 20 years on a level debt service basis. In the event that the Issuer is required to fund a reserve fund, the funding of such reserve fund shall be included in the calculation of debt service. For purposes of this paragraph, "balloon indebtedness" includes indebtedness if 25% or more of the principal amount thereof comes due in any one year.

Notwithstanding anything herein to the contrary, the provisions of this Section 5.01 may be amended, supplemented, or waived from time to time only with the prior written consent of

the Bond Insurer, if any, and without the consent of the Bondholders, only if all the Series 2016 Bonds Outstanding are insured by the Bond Insurer.

Section 5.02 Books and Records. The Issuer shall keep proper books, records and accounts of the receipt of the Non-Ad Valorem Revenues in accordance with generally accepted accounting principles, and any Holder or Owners shall have the right at all reasonable times to inspect such books, records, accounts and data of the Issuer relating thereto.

Section 5.03 Annual Audit.~~(a)~~

(1) The Issuer shall require that an annual audit of its accounts and records be completed by March 31 following the end of each Fiscal Year by an independent certified public accountant of recognized standing. Such audit shall be conducted in accordance with generally accepted accounting principles as applied to governments.

(2) A copy of the Issuer's audited financial statements shall be available for inspection at the offices of the Issuer and shall be mailed to any Bondholder requesting the same upon payment by such Bondholder of the cost of reproduction and mailing. The Issuer shall be permitted to make a reasonable charge for furnishing such audited financial statements.

Section 5.04 No Impairment. The pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the City Commission.

Section 5.05 Federal Income Tax Covenants.

(1) It is the intention of the Issuer and all parties under its control that the interest on the Series 2016 Bonds issued hereunder be and remain excluded from gross income for federal income tax purposes and, to this end, the Issuer hereby represents to and covenants with each of the Owners of the Series 2016 Bonds issued hereunder that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the Series 2016 Bonds issued hereunder from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

(a) to make or cause to be made all necessary determinations and calculations of the Rebate Amount and required payments of the Rebate Amount;

(b) to set aside sufficient moneys in the Rebate Fund or elsewhere, from Non-Ad Valorem Revenues or other legally available funds of the Issuer, to timely pay the Rebate Amount to the United States of America;

(c) to pay the Rebate Amount to the United States of America from Non-Ad Valorem Revenues or from any other legally available funds, at the times and to the extent required pursuant to Section 148(f) of the Code;

(d) to maintain and retain all records pertaining to the Rebate Amount with respect to the Series 2016 Bonds issued hereunder and required payments of the Rebate Amount for at least three (3) years after the final maturity of the Series 2016 Bonds issued hereunder or such other period as shall be necessary to comply with the Code;

(e) to refrain from using proceeds from the Series 2016 Bonds issued hereunder in a manner that might cause the Series 2016 Bonds to be classified as private activity bonds under Section 141(a) of the Code; and

(f) to refrain from taking any action that would cause the Series 2016 Bonds issued hereunder to become arbitrage bonds under Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations on the Issuer that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the Series 2016 Bonds.

Notwithstanding any other provision of this Resolution, the obligation of the Issuer to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section 5.05 shall survive the defeasance or payment in full of the Series 2016 Bonds issued hereunder.

(2) There is hereby created and established a fund to be known as the "City of Alachua, Florida Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 Rebate Fund" (the "Rebate Fund"). The Issuer shall deposit into the Rebate Fund, from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer, an amount equal to the Rebate Amount for such Rebate Year. The Issuer shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by this Section 5.05. In complying with the foregoing, the Issuer may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Account after payment in full of all Series 2016 Bonds issued hereunder and after payment in full of the Rebate Amount to the United States in accordance with the terms hereof, such amounts shall be available to the Issuer for any lawful purpose.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Issuer, shall not be impressed with a lien in favor of the Bondholders and the moneys therein shall be available for use only as herein provided.

**ARTICLE VI
DEFAULTS AND REMEDIES**

Section 6.01 Events of Default. The following events shall each constitute an "Event of Default":

(1) Default shall be made in the payment of the principal of, Amortization Installment, redemption premium or interest on any Series 2016 Bond when due.

(2) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(3) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Series 2016 Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of thirty (30) days after written notice of such default shall have been received from the Bond Insurer or Owners of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding of the Bond Insurer of such amount of Bonds. Notwithstanding the foregoing, the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes curative action and diligently pursues such action until the default has been corrected.

In determining whether a payment default has occurred hereunder or whether payment of the Series 2016 Bonds has been made hereunder, no effect shall be given to payments made under the Bond Insurance Policy.

Section 6.02 Remedies. Any Bondholder or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, 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 and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof.

The Holder or Owners of Series 2016 Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of the Series 2016 Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Owners of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be

executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the City Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Series 2016 Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Issuer and the trustee and notice of appointment shall be given to all Owners of Series 2016 Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the Owners of a majority in aggregate principal amount of all the Series 2016 Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

So long as the Series 2016 Bonds are Outstanding and insured by the Bond Insurer, the Bond Insurer, acting alone, shall have the right to direct all remedies in the event of a default.

Notwithstanding the foregoing, acceleration is not a remedy available to the Owners of the Series 2016 Bonds upon the occurrence of an Event of Default.

Section 6.03 Directions to Trustee as to Remedial Proceedings. The Owners of a majority in principal amount of the Series 2016 Bonds then Outstanding or, if the Series 2016 Bonds are insured, the Bond Insurer, acting alone, shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction which in the opinion of the trustee would be unjustly prejudicial to Owners of Series 2016 Bonds not parties to such direction.

Section 6.04 Remedies Cumulative. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 6.05 Waiver of Default. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 6.02 of this Resolution to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

Section 6.06 Application of Moneys After Default. If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for the purpose shall apply all Pledged Funds as follows and in the following order:

(1) To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver, Registrar and Paying Agent hereunder; and

(2) To the payment of the interest and principal or Redemption Price, if applicable, then due on the Series 2016 Bonds, as follows:

(a) Unless the principal of all the Series 2016 Bonds shall have become due and payable by reason other than acceleration, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Series 2016 Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Series 2016 Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Series 2016 Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Series 2016 Bonds called for optional redemption pursuant to the provisions of this Resolution.

(b) If the principal of all the Series 2016 Bonds shall have become due and payable by reason other than acceleration, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Series 2016 Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Series 2016 Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

(3) Notwithstanding the foregoing, acceleration is not a remedy available to the Owners of the Series 2016 Bonds upon the occurrence of an Event of Default.

ARTICLE VII SUPPLEMENTAL RESOLUTIONS

Section 7.01 Supplemental Resolutions without Bondholders' Consent. The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolutions shall thereafter form a part hereof) for any of the following purposes:

- (a) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.
- (b) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.
- (c) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.
- (d) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.
- (e) To specify and determine the matters and things referred to in Sections 2.01 or 2.02 hereof, and also any other matters and things relative to such Series 2016 Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Series 2016 Bonds.
- (f) To make any other change that, in the reasonable opinion of the Issuer, would not materially adversely affect the security for the Series 2016 Bonds.

If the Bond Insurer of the Series 2016 Bonds is not then in default in the performance of any of its obligations under its Bond Insurance Policy, it shall receive notice of all Supplemental Resolutions adopted pursuant to this Section 7.01.

Section 7.02 Supplemental Resolutions with Bondholders' Consent. Subject to the terms and provisions contained in this Section 7.02 and Section 7.01 hereof, the Owner or Owners of not less than a majority in aggregate principal amount of the Series 2016 Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolution or resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of any Bond Insurer of any Series 2016 Bonds which are Outstanding at the time such Supplemental Resolution shall take effect. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Series 2016 Bond issued hereunder, (B) reduction in the principal amount of any Series 2016 Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of other than the lien and pledge created by this Resolution which adversely affects any Bondholders, (D) a preference or priority

of any Series 2016 Bond or Series 2016 Bonds over any other Series 2016 Bond or Series 2016 Bonds, or (E) a reduction in the aggregate principal amount of the Series 2016 Bonds required for consent to such Supplemental Resolution, unless such Supplemental Resolution has the approval of one hundred percent (100%) of the Bondholders and any Bond Insurer of the Series 2016 Bonds. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If, at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the City Clerk shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the City Clerk and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the City Clerk an instrument or instruments in writing purporting to be executed by the Owners or Bond Insurer, as the case may be, of not less than a majority in aggregate principal amount of the Series 2016 Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder, whether or not such Holder shall have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of the Series 2016 Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Series 2016 Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Owners of Series 2016 Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

Section 7.03 Supplemental Resolutions with Bond Insurer's Consent in Lieu of Bondholders' Consent. Notwithstanding any provisions of Section 7.02 above to the contrary, if the Bond Insurer of the Series 2016 Bonds is not then in default in the performance of any of its

obligations under its Bond Insurance Policy, the approvals, consents and notifications required by Section 7.02 above to be given by or to the Owners of the Series 2016 Bonds, as the case may be, may be given solely by or to the Bond Insurer, as the case may be, and the instrument contemplated by Section 7.02 above shall be executed solely by the Bond Insurer, and the Owners of the Series 2016 Bonds subject to such Bond Insurance Policy shall have no right to receive such notification or give such approvals and consents or to execute such certificate except that the adoption of Supplemental Resolutions that would have any of the effects described in (A) through (E) in Section 7.02 above shall require the approval and consent of all Owners of Bonds then Outstanding and the Bond Insurer.

ARTICLE VIII MISCELLANEOUS; SALE OF BONDS

Section 8.01 Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Owners of all Series 2016 Bonds, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of the Pledged Funds, and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Any Series 2016 Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such Series 2016 Bonds, shall be deemed to have been paid within the meaning of this Section 8.01 if (A) in case any such Series 2016 Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Series 2016 Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (B) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Federal Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such bank or trust company at the same time shall be sufficient, to pay the principal of or Redemption Price, if applicable, and interest due and to become due on said Series 2016 Bonds on and prior to the redemption date or maturity date thereof, as the case may be. The Bond Insurer shall be provided with an opinion of counsel acceptable to the Bond Insurer that the Series 2016 Bonds have been legally defeased and that the escrow agreement establishing such defeasance operates to legally defease the Series 2016 Bonds within the meaning of this Resolution. In addition, the Bond Insurer will be entitled to receive (i) 15 business days' notice of any advance refunding of the Series 2016 Bonds, and (ii) an accountant's report with respect to the sufficiency of the amounts deposited in escrow to defease the Series 2016 Bonds. Except as hereafter provided, neither the Federal Securities nor any moneys so deposited with such bank or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said

Federal Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for legal purposes for and be applied to, the payment, when due, of the principal of or Redemption Price, if applicable, of the Series 2016 Bonds for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption; provided, however, the Issuer may substitute new Federal Securities and moneys for the deposited Federal Securities and moneys if the new Federal Securities and moneys are sufficient to pay the principal of or Redemption Price, if applicable, and interest on the refunded Series 2016 Bonds.

In the event the Series 2016 Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 8.01 are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall cause the Registrar to mail a notice to the Owners of such Series 2016 Bonds that the deposit required by this Section 8.01 of moneys or Federal Securities has been made and said Series 2016 Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Series 2016 Bonds.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Series 2016 Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

Section 8.02 Interested Parties. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any Person or entity, other than the Issuer, the Bond Insurer, the Paying Agent, and the Owners of the Series 2016 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Bond Insurer, the Paying Agent, and the Owners of the Series 2016 Bonds.

Section 8.03 No Personal Liability. Neither the members of the City Commission nor any Person executing the Series 2016 Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 8.04 General Authority. The members of the City Commission of the Issuer, the City Manager, the Finance Director, the City Attorney, the City Clerk and the Issuer's officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by the Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2016 Bonds and the Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Series 2016 Bonds to effectuate the sale of the Series 2016 Bonds to said initial purchasers.

Section 8.05 Severability and Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions of this Resolution and shall in no way affect the validity of any of the other provisions hereof or of the Series 2016 Bonds.

Section 8.06 Inconsistent Resolutions; Resolution to Continue in Force. All resolutions or parts thereof in conflict herewith are hereby superseded and rescinded to the extent of such conflict.

Section 8.07 Effective Date. The provisions of this Resolution shall be effective immediately upon its adoption.

DULY ADOPTED, in regular session, this 14th day of March, 2016.

(SEAL)

**CITY COMMISSION OF THE
CITY OF ALACHUA, FLORIDA**


Gib Coerper, Mayor

ATTESTED AND COUNTERSIGNED:


Traci L. Gresham, City Manager/Clerk