

RESOLUTION NO. 2023-1186

RESOLUTION OF THE CITY OF GAINESVILLE BEING ADOPTED AT THE REQUEST OF THE GAINESVILLE REGIONAL UTILITIES AUTHORITY TO AUTHORIZE THE EXTENSION OR REPLACEMENT OF EXISTING CREDIT ENHANCEMENT FACILITIES WITH RESPECT TO CERTAIN OUTSTANDING VARIABLE RATE UTILITIES SYSTEM REVENUE BONDS AND REVOLVING LINES OF CREDIT; AUTHORIZING AN ADVANCE ON THE LINES OF CREDIT IF ANY EXISTING CREDIT ENHANCEMENT FACILITIES ARE UNABLE TO BE EXTENDED OR SUBSTITUTED; AUTHORIZING THE PAYMENT OF COSTS OF ISSUANCE RELATED TO THE TRANSACTIONS DESCRIBED HEREIN; AUTHORIZING PROPER OFFICIALS TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE EXTENSION AND ISSUANCE OF THE REPLACEMENT CREDIT FACILITIES AND LINES OF CREDIT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Gainesville, Florida ("City") adopted on September 21, 2017 its Resolution No. 170395 incorporating by reference the Second Amended and Restated Utilities System Revenue Bond Resolution adopted by the City on September 21, 2017, as amended (the "Master Bond Resolution"), and authorized the issuance of Bonds; and

WHEREAS, the City heretofore adopted on October 24, 2005, its Resolution No. 050545 (the "2005 Bonds Supplemental Resolution"), incorporating by reference and adopting the Sixteenth Supplemental Utilities System Revenue Bond Resolution, supplementing the Master Bond Resolution and authorizing the issuance of its Variable Rate Utilities System Revenue Bonds, 2005 Series C (the "2005 Bonds"); and

WHEREAS, the City heretofore adopted on June 26, 2006, its Resolution No. 060184 (the "2006 Bonds Supplemental Resolution"), incorporating by reference and adopting the Seventeenth Supplemental Utilities System Revenue Bond Resolution supplementing the Master Bond Resolution and authorizing the issuance of its Variable Rate Utilities System Revenue Bonds, 2006 Series A (the "2006 Bonds"); and

WHEREAS, the City heretofore adopted on June 21, 2012, its Resolution No. 120097 (the "2012 Bonds Supplemental Resolution"), incorporating by reference and adopting the Twenty-Fifth Supplemental Utilities System Revenue Bond Resolution supplementing the Master Bond Resolution and authorizing the issuance of its Variable Rate Utilities System Revenue Bonds, 2012 Series B (the "2012 Bonds"); and

WHEREAS, the City heretofore adopted on March 21, 2019, its Resolution No. 180818 (the "2019 Bonds Supplemental Resolution"), adopting the Thirty-First Supplemental Utilities System Revenue Bond Resolution supplementing the Master Bond Resolution and authorizing the issuance of its Variable Rate Utilities System Revenue Bonds, 2019 Series C (the "2019

Bonds" and together with the 2005 Bonds, the 2006 Bonds and the 2012 Bonds, the "Variable Rate Bonds"; and

WHEREAS, the Variable Rate Bonds are secured by Credit Enhancement provided by Credit Enhancers which are all scheduled to expire in calendar years 2024 and 2025; and

WHEREAS, Barclays Bank PLC has expressed an interest, subject to certain amendments, in extending the expiration of such Credit Enhancement for each of the 2005 Bonds, the 2006 Bonds and the 2012 Bonds (collectively, the "Barclays Liquidity Facilities"); and

WHEREAS, the City pursuant to Resolution No. 191095 adopted on April 16, 2020 ("Resolution No. 191095") authorized entering into the Barclays Liquidity Facilities and delegated to the General Manager for Utilities authorization to extend the term of or substitute facilities without further approvals of the City Commission; and

WHEREAS, the City on May 17, 2018, adopted its Resolution No. 171090 incorporating by reference the Second Amended and Restated Subordinated Utilities System Revenue Bond Resolution, as amended and supplementing the Master Bond Resolution (the "Subordinated Bond Resolution" and together with the Master Bond Resolution, the "Bond Resolution") authorizing the issuance of Subordinated Indebtedness junior and subordinated in all respects to the security interest in and pledge and assignment of the Trust Estate created by the Master Bond Resolution as security for the Bonds; and

WHEREAS, pursuant to Resolution No. 191142 adopted by the City on April 16, 2020, as amended by Resolution No. 191095 adopted on April 16, 2020 (collectively, the "Truist LC Bond Resolution"), the City issued its Variable Rate Subordinated Utilities System Revenue Bond, 2020 Series A (Federally Taxable), as amended (the "Truist LC Bond") which Truist LC Bond was purchased by Truist Bank (the "Truist Line of Credit"); and

WHEREAS, pursuant to Resolution No. 171089 adopted by the City on May 17, 2018, as amended by Resolution No. 210533 adopted on October 1, 2021 (the "TRUCE LC Bond Resolution"), the City issued its Variable Rate Subordinated Utilities System Revenue Bond, 2018 Series A (the "TRUCE LC Bond") which TRUCE LC Bond was purchased by Truist Commercial Equity, Inc. as successor to STI Institutional & Government, Inc. (the "TRUCE Line of Credit"); and

WHEREAS, pursuant to Resolution No. 211098 adopted by the City on April 21, 2022 (together with the Truist LC Bond Resolution, the TRUCE LC Bond Resolution, the "Line of Credit Resolutions"), the City issued its Variable Rate Subordinated Utilities System Revenue Bond, 2022 Series A and Variable Rate Subordinated Utilities System Revenue Bond, 2022 Series B (Federally Taxable) (the "USB LC Bond" and collectively with the Truist LC Bond and TRUCE LC Bond, the "Line of Credit Bonds") which USB LC Bond was purchased by U.S. Bank National Association (the "USB Line of Credit" and together with the Truist Line of Credit and TRUCE Line of Credit, the "Lines of Credit"); and

WHEREAS, the Line of Credit Bonds were issued for the purpose of evidencing the obligations under the Lines of Credit, each as Subordinated Indebtedness pursuant to the

Subordinated Bond Resolution, to finance from time to time the Cost of Acquisition and Construction of the System, including, without limitation, working capital; and

WHEREAS, the Charter of the City being Chapter 12760, Laws of Florida as amended by Chapter 90-394, Laws of Florida was amended by Chapter No. 2023-348, Laws of Florida (the "Amendment"), which such Amendment, among other things, added Article VII to the Charter and thereby created the Gainesville Regional Utilities Authority (the "Authority") and repealed Section 3.06 of Article III of section 1 of Chapter 90-394, Laws of Florida relating to the position of the General Manager for Utilities; and

WHEREAS, Section 716 of the Master Bond Resolution allows for the lawful reorganization of the governmental structure of the City and the transfer of a public function of the City to another public body, so long as the reorganization provides that the System shall be continued as a single enterprise; and

WHEREAS, the Amendment provides that the System shall continue to be operated as a single enterprise and there shall be no change to the ownership of the System; and

WHEREAS, the Amendment provides that the City and the Authority shall perform all acts necessary and proper to effectuate an orderly transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System, including, but not limited to, the creation of such instruments as are necessary for the Authority to function in accordance with the Amendment; and

WHEREAS, the Authority adopted a resolution requesting that the City Commission adopt a resolution in order to extend and renew the Credit Enhancements for the Variable Rate Bonds, including, without limitation the Barclays Liquidity Facilities and renewals and extensions of the Lines of Credit as evidenced by the Line of Credit Bonds and certain other matters; and

WHEREAS, the Authority determined and found that any such action taken by the City Commission as requested by the Authority's Resolution does not violate the provisions of the Amendment which provides that the Authority shall be free from direction and control of the City Commission but that all such actions are necessary to facilitate the orderly transition of the governance, operation, management, and control to the Authority; and

WHEREAS, the City Commission at the request of the Authority adopts this resolution in order to authorize the extension and renewals of the Credit Enhancements for the Variable Rate Bonds or substitutions of such Credit Enhancements, including, without limitation the Barclays Liquidity Facilities and renewals and extensions of the Lines of Credit; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF GAINESVILLE, FLORIDA THAT:

**ARTICLE I
DEFINITIONS**

Section 1.01 Authority; Definitions. All capitalized terms not otherwise defined herein shall have such meaning as given in the Bond Resolution, as amended and supplemented, including, without limitation the 2005 Bonds Supplemental Resolution, the 2006 Bonds Supplemental Resolution, the 2012 Bonds Supplemental Resolution, the 2019 Bonds Supplemental Resolution and Resolution No. 191095 (collectively, the "Resolutions") and with respect to the Line of Credit Bonds, the Bond Resolution as particularly supplemented by the Line of Credit Resolutions. This Resolution is adopted pursuant to the provisions of Chapter 166, Florida Statutes, the City's Charter, the Resolutions (including the Line of Credit Resolutions) and other applicable provisions of law (the "Act").

"Authorized Officer" for purposes of this Resolution shall mean the General Manager, the Chief Financial Officer or their respective designees or any other officer, employee or agent of the City or the Authority pursuant to the Amendment authorized to perform specific acts or duties by resolution duly adopted by the City or the Authority pursuant to the Amendment.

"Chief Financial Officer" shall mean the Chief Financial Officer of the System.

"City Attorney" shall mean the City Attorney as assistant City Attorney or such other counsel authorized under the Act.

"General Manager" shall mean the General Manager of the System, who may have been appointed by the City Commission or appointed as the chief executive officer/general manager pursuant to the Amendment or any assistant General Manager in the General Managers absence or unavailability or interim General Manager or other person authorized to serve as the general manager of the System.

**ARTICLE II
CERTAIN FINDINGS AND DETERMINATIONS;
ADDITIONAL AUTHORIZATIONS**

Section 2.01 Certain Findings and Determinations. The City hereby finds and determines that:

(a) The factual recitals set forth in the WHEREAS clauses of this Resolution are hereby incorporated in this section as findings as if expressly set forth herein.

(b) It is in the best interest of the System to delegate authorization to extend the expiration of each of the Credit Enhancement facilities securing the Variable Rate Bonds, including the Barclays Liquidity Facilities and to extend each of the Lines of Credit as set forth herein.

ARTICLE III
APPROVAL OF CREDIT FACILITY AND NOTICES

Section 3.01 Authorization to Extend the Term of a Particular Liquidity Facility or to Procure a Substitute Liquidity Facility in Substitution Therefor. The General Manager or Chief Financial Officer, or his or her respective designees, is hereby authorized in accordance with the Resolutions, from time to time, to (1) extend the term of any of the Credit Enhancements for the Variable Rate Bonds, including, without limitation the Barclays Liquidity Facilities (collectively, the "Liquidity Facilities") or (2) procure substitute Credit Enhancement in substitution for any of the Liquidity Facilities then in effect with respect thereto, in either such case, upon such terms and conditions as shall be determined by the General Manager or Chief Financial Officer, or such respective designees, to be advantageous to the System and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the "commitment fee" and other fees payable thereunder and the specification of the interest rates payable on loans or advances thereunder) may differ from the terms and conditions then in effect pursuant to such Liquidity Facility then in effect), such determination to be confirmed in writing by the firm serving at that time as the System's financial advisor to the extent provided below.

In connection with any such extension of the term of a particular Liquidity Facility, the General Manager or Chief Financial Officer, or his or her respective designees, is hereby further authorized to execute and deliver, such documents and instruments (including, without limitation, an amendment to or amendment and restatement of any such Liquidity Facility and the related fee letter) as shall be determined by the General Manager or Chief Financial Officer, or his or her respective designees, to be (a) necessary or desirable and advantageous to the System and (b) in commercially reasonable form; provided, however, that if any such extension shall be on terms and conditions different from the terms and conditions of such Liquidity Facility as then in effect, then (a) such determination of the General Manager or Chief Financial Officer, or his or her respective designees, shall be confirmed in writing by the firm serving at that time as the System's financial advisor and (b) the form of each such document or instrument shall be approved by the City Attorney or his/her designee as to form and legality prior to the execution thereof by the General Manager or Chief Financial Officer, or his or her respective designees.

In connection with any such procurement of Credit Enhancement in substitution for the Liquidity Facility then in effect with respect thereto, the General Manager or Chief Financial Officer, or his or her respective designees, is hereby further authorized to execute and deliver, such documents and instruments (including, without limitation, a credit agreement or other similar document and a fee letter) as shall be determined by the General Manager or Chief Financial Officer, or his or her respective designees, to be (a) necessary or desirable and advantageous to the System and (b) in commercially reasonable form, such determination to be confirmed in writing by the firm serving at that time as the System's financial advisor; provided, however, that the form of each such document or instrument shall be approved by the City Attorney or his/her designee as to form and legality prior to the execution thereof by the General Manager or Chief Financial Officer, or his or her respective designees; and provided, further, that the procedures utilized in connection with any such procurement shall be consistent with any requirements of any law, rule, regulation, ordinance or resolution applicable thereto.

If for any reason an extension or substitution of any of the Liquidity Facilities is determined by the General Manager or Chief Financial Officer or their respective designees to not be possible prior to the expiration of any such Liquidity Facility or the terms of any renewal are not in the best interest of the System (which may be based on the advice of the financial advisor to the System) or any Variable Rate Bonds have or will be subject to mandatory tender, the General Manager or Chief Financial Officer, or his or her respective designees are authorized to take all actions in order to request one or more advances under the USB Line of Credit or such other of the Lines of Credit as determined General Manager or Chief Financial Officer or their respective designees based on the advice of the financial advisor to the System, in order to redeem such Variable Rate Bonds.

Section 3.02 Authorization to Extend the Term of the Lines of Credit. The General Manager or Chief Financial Officer, or his or her respective designees, is hereby authorized in accordance with the Resolutions, from time to time to extend the term of any of the Lines of Credit.

In connection with any such extension of the term of any of the Lines of Credit, the General Manager or Chief Financial Officer, or his or her respective designees, is hereby further authorized to execute and deliver such documents and instruments (including, without limitation, an amendment to or amendment and restatement of the Line of Credit Bonds as shall be determined by the General Manager or Chief Financial Officer, or his or her respective designees), to be (a) necessary or desirable and advantageous to the System and (b) in commercially reasonable form; provided, however, that if any such extension shall be on terms and conditions different from the terms and conditions of such Line of Credit as then in effect, then (i) such determination of the General Manager or Chief Financial Officer, or his or her respective designees, shall be confirmed in writing by the firm serving at that time as the System's financial advisor and (ii) the form of each such amendment, document or instrument shall be approved by the City Attorney or his/her designee as to form and legality prior to the execution thereof by the General Manager or Chief Financial Officer, or his or her respective designees. Such extension of any Line of Credit may be made by a separate agreement with the provider such of Line of Credit.

Section 3.03 Notices. The Authorized Officers are hereby authorized and directed to deliver such notices as may be required under the terms of each of the applicable Resolutions and the liquidity facilities providing liquidity for the Variable Rate Bonds or the Lines of Credit as may be necessary to effectuate the amendment, extension and substitution of the existing liquidity facilities and Lines of Credit, as applicable and all such prior actions, taken in conformance with the provisions hereof, are hereby ratified.

ARTICLE IV MISCELLANEOUS

Section 4.01 Further Authority. The Authorized Officers are each hereby authorized to do all acts and things required of them by this Resolution, the Resolutions, or otherwise, as may be necessary or desirable to effectuate the amendment, extension and substitution of the liquidity facilities providing liquidity for the Variable Rate Bonds and for the extension of the Lines of Credit or to authorize a draw on the Lines of Credit for the purposes described herein

and to pay all costs related thereto including those referenced in the fee letters, all other legal expenses, expenses for fiscal agents, financial advisors, accountants and other experts, printing expenses and such other expenses necessary or incidental and incurred in connection therewith. The Authorized Officers, or their respective designees, are each hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder, including, to the extent necessary, without limitation, amendments to the tender agent agreements and remarketing agreements related to the Variable Rate Bonds and for the extension of the Lines of Credit.

The Gainesville Regional Utilities Authority is authorized to supplement and amend the Bond Resolution and any supplements thereto and other related agreements, including, without limitation, agreements entered into in connection with Credit Enhancement for the Bonds, Qualified Hedging Contracts, continuing covenant agreements, the Credit Agreement entered into in connection with the USB Line of Credit, and paying agent and registrar agreements, in order to effectuate the provisions of Section 716 of the Master Bond Resolution and all prior actions are hereby ratified. The Gainesville Regional Utilities Authority is delegated authority to take all actions on behalf of the City under the Bond Resolution.

Section 4.02 Severability. If any one or more of the covenants, agreements or provisions of this Resolution should 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 separate from the remaining covenants, agreements or provisions of this Resolution and the Bond Resolution or of the Bonds and the Subordinated Bonds issued thereunder.

Section 4.03 No Third-Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and holders of the Bonds issued under and secured by the Resolutions, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners and holders from time to time of the Bonds and the Subordinated Bonds.

Section 4.04 Resolution Adopted at Request of Authority. The Authority requested that the City Commission adopt this resolution to effectuate an orderly transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System. The City Commission has adopted this resolution in reliance of the Authority finding and determining that this resolution is necessary in order to effectuate an orderly transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System to the Authority and is not in any way the City Commission directing or controlling the Authority.

Section 4.05 Controlling Law; Members of Issuer Not Liable. All covenants, stipulations, obligations and agreements of the City contained in this Resolution shall be deemed

to be covenants, stipulations, obligations and agreements of the City to the full extent authorized by the Act and provided by the Constitution and laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the City in their individual capacity, and neither the members of the City nor any official executing any agreements or documents authorized hereby or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the City or such members thereof.

Section 4.06 Effective Date. This Resolution shall be fully effective immediately upon adoption.

PASSED AND ADOPTED IN PUBLIC SESSION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA, THIS ___ DAY OF DECEMBER, 2023.

CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA

ATTESTED:

By: _____
Mayor

By: _____
City Clerk

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney