
CITY OF GAINESVILLE, FLORIDA

\$25,000,000

Utilities System Commercial Paper Notes, Series D

**FOURTH SUPPLEMENTAL SUBORDINATED UTILITIES SYSTEM
REVENUE BOND RESOLUTION**

Adopted June 15, 2000

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**FOURTH SUPPLEMENTAL SUBORDINATED UTILITIES SYSTEM
REVENUE BOND RESOLUTION**

Be It Resolved by the City Commission of the City of Gainesville, Florida that:

ARTICLE I

DEFINITIONS AND AUTHORITY

SECTION 101. Supplemental Subordinated Resolution This Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution is supplemental to, and is adopted in accordance with Article X of, the Subordinated Utilities System Revenue Bond Resolution adopted by the City on January 26, 1989, as heretofore supplemented (the “Subordinated Resolution”).

SECTION 102. Definitions. 1. Except as provided by this Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution, all terms which are defined in Section 101 of the Utilities System Revenue Bond Resolution adopted by the City on June 6, 1983, as amended and supplemented (the “Resolution”) and in Section 1.02 of the Subordinated Resolution shall have the same meanings, respectively, herein as such terms are given in said Section 101 of the Resolution and in said Section 1.02 of the Subordinated Resolution.

2. In this Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution:

Agent:

The term “Agent” shall mean (a) in the case of any Credit Agreement to which only one Bank is a party, such Bank and (b) in the case of any Credit Agreement to which more than one Bank is a party, the agent appointed to act thereunder on behalf of the Banks that are parties thereto.

Bank or Banks:

The term “Bank” or “Banks” shall mean, as the context may require, SunTrust Bank and its successor(s) and assign(s) under the Initial Credit Agreement and any other bank(s) with which the City may enter into a liquidity support agreement similar to the Credit Agreement from time to time.

Business Day:

The term “Business Day” shall mean any day, other than a Saturday or Sunday, on which the principal office of the City, the principal corporate trust office of the Trustee and the lending office of the Agent under the Credit Agreement is open for business during its normal business hours.

Credit Agreement:

The term “Credit Agreement” shall mean the Initial Credit Agreement, or such other credit agreement which the City determines to be in replacement thereof or supplemental thereto as may be entered into by the City from time to time with one or more banks each having a capital surplus and undivided profits of not less than \$150,000,000.

Dealer:

The term “Dealer” shall mean the dealer designated pursuant to the Dealer Agreement and any other person with which the City may enter into a dealer agreement from time to time.

Dealer Agreement:

The term “Dealer Agreement” shall mean the Initial Dealer Agreement or such other dealer agreement which the City determines to be in replacement thereof.

Designee:

The term “Designee” shall mean an officer or employee of the City authorized by written instrument of an Authorized Officer of the City to give Requests on behalf of such Authorized Officer in accordance with Section 204 hereof and to take such other actions hereunder and under the Issuing and Paying Agency Agreement as are permitted to be taken hereunder or thereunder by Designees.

DTC

The term “DTC” shall mean The Depository Trust Company, New York, New York.

Effective Date:

The term “Effective Date” shall mean the date on which the Bank’s commitment under the Initial Credit Agreement shall become effective in accordance with the terms of such Credit Agreement.

Fourth Supplemental Subordinated Resolution:

The term “Fourth Supplemental Subordinated Resolution” shall mean this Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution, as from time to time amended or supplemented by Supplemental Subordinated Resolutions in accordance with the terms hereof and of the Subordinated Resolution. This Fourth Supplemental Subordinated Resolution shall constitute a Supplemental Resolution within the meaning of the Resolution and a Supplemental Subordinated Resolution within the meaning of the Subordinated Resolution.

Initial Credit Agreement:

The term “Initial Credit Agreement” shall mean the Credit Agreement Relating to Utilities System Commercial Paper Notes, Series D, dated as of June 15, 2000, between the City and SunTrust Bank, as amended from time to time.

Initial Dealer Agreement:

The term “Initial Dealer Agreement” shall mean the Dealer Agreement Relating to Utilities System Commercial Paper Notes, Series D, dated as of June 15, 2000, between the City and Goldman, Sachs & Co., as amended from time to time.

Initial Issuing and Paying Agency Agreement:

The term “Initial Issuing and Paying Agency Agreement” shall mean the Issuing and Paying Agency Agreement Relating to Utilities System Commercial Paper Notes, Series D, dated as of June 15, 2000, between the City and Bankers Trust Company, as amended from time to time.

Issuing Agent:

The term “Issuing Agent” shall mean the Subordinated Bond Paying Agent and Subordinated Bond Registrar for the Series D Commercial Paper Notes appointed pursuant to Section 206 hereof.

Issuing and Paying Agency Agreement:

The term “Issuing and Paying Agency Agreement” shall mean the Initial Issuing and Paying Agency Agreement, or such other agreement as may be entered into by the City from time to time which the City determines to be in replacement thereof.

Letter of Representations:

The term “Letter of Representations” shall mean, as the context may require, (a) to the extent that DTC shall serve as Securities Depository for the Series D Commercial Paper Notes, the Letter of Representations from the City and the Issuing Agent to DTC with respect to the Series D Commercial Paper Notes, as amended from time to time and (b) to the extent that a securities depository other than DTC shall serve as Securities Depository for the Series D Commercial Paper Notes, such letter or agreement as shall be necessary or desirable to qualify the Series D Commercial Paper Notes for issuance in book-entry form through the facilities of such other Securities Depository, as amended from time to time.

No-Issuance Instructions:

The term “No-Issuance Instructions” shall mean a notice in writing given to the City and the Issuing Agent pursuant to the provisions of the Credit Agreement by the Agent thereunder, instructing the City and the Issuing Agent not to issue, authenticate or deliver Series D Commercial Paper Notes.

On-Line Terminal:

The term “On-Line Terminal” shall mean a device through which an Authorized Officer of the City (or a Designee thereof) may enter Requests for the issuance of Series D Commercial Paper Notes directly into an automated, computerized commercial paper issuance system, if any, maintained by the Issuing Agent with respect to the Series D Commercial Paper Notes.

Related Agreements:

The term “Related Agreements” shall mean the Dealer Agreement, the Issuing and Paying Agency Agreement, and the Credit Agreement.

Request:

The term “Request” shall mean a request made, or instructions given, by telephone or electronic transmission by, or in writing from, an Authorized Officer of the City (or a Designee thereof) pursuant to Section 204 hereof.

Securities Depository:

The term “Securities Depository” shall mean any securities depository that may be appointed for the Series D Commercial Paper Notes pursuant to Section 208 hereof.

Series B Bank Bonds:

The term “Series B Bank Bonds” shall mean the Utilities System Subordinated Bank Bonds, Series B of the City authorized to be issued pursuant to Article III of this Fourth Supplemental Subordinated Resolution.

Series D Commercial Paper Notes:

The term “Series D Commercial Paper Notes” shall mean the Utilities System Commercial Paper Notes, Series D of the City authorized to be issued and sold pursuant to Article II of this Fourth Supplemental Subordinated Resolution, which are hereby designated as Commercial Paper Notes for all purposes of the Subordinated Resolution.

Series D CP Note Payment Account:

The term “Series D CP Note Payment Account” shall mean the account by that name that is established in Section 401 of this Fourth Supplemental Subordinated Resolution, which account shall constitute a “Subordinated Bond Payment Account” for purposes of the Subordinated Resolution.

Tender Event:

The term “Tender Event” shall mean any event or condition specified in the Credit Agreement the occurrence (and, if applicable, the continuance) of which permits (or is deemed to cause) the Agent to tender the Series B Bank Bonds for immediate payment.

Termination Date:

The term “Termination Date” shall mean the date on which the obligation of the Bank(s) to make loans under the Credit Agreement to pay the maturing principal amount of the Series D Commercial Paper Notes shall be scheduled to terminate.

SECTION 103. Authority for this Fourth Supplemental Subordinated Resolution. This Fourth Supplemental Subordinated Resolution is adopted (i) pursuant to the provisions of the Act, (ii) in accordance with paragraph 7 of Section 1001 of the Resolution and (iii) in accordance with Article II and Article X of the Subordinated Resolution.

ARTICLE II

AUTHORIZATION OF SERIES D COMMERCIAL PAPER NOTES

SECTION 201. Principal Amount and Designation of Series. Pursuant to the provisions of the Resolution and the Subordinated Resolution, a Series of Subordinated Bonds is hereby authorized in a maximum aggregate principal amount Outstanding at any one time of up to \$25,000,000; *provided, however,* that the aggregate principal amount of such Subordinated Bonds and the aggregate principal amount of Series B Bank Bonds permitted to be Outstanding at any time shall not exceed \$25,000,000. Such Subordinated Bonds shall be designated as, and shall be distinguished from the Subordinated Bonds of all other Series by the title, “Utilities System Commercial Paper Notes, Series D”. If at any time any Series D Commercial Paper Notes shall not be subject to the book-entry system of registration as provided in Section 208 hereof, then the Series D Commercial Paper Notes not so subject to such book-entry system shall constitute Bearer Commercial Paper Notes for purposes of the Subordinated Resolution. A Series D Commercial Paper Note or all or a portion of the principal amount of a Series B Bank Bond shall not be deemed Outstanding for purposes of this Section 201 to the extent the proceeds of other Series D Commercial Paper Notes or borrowings under the Credit Agreement are to be applied toward the payment thereof.

SECTION 202. Purpose. The Series D Commercial Paper Notes may be issued during the period commencing on the Effective Date and ending on June 14, 2030 (or, if such day is not a Business Day, the next preceding Business Day), for purposes of (i) financing a portion of the Cost of Acquisition and Construction of the System and (ii) paying the principal of maturing Series D Commercial Paper Notes and borrowings under the Credit Agreement.

SECTION 203. Denominations, Dated Date, Redemption and Conditions for Issuance of Series D Commercial Paper Notes. 1. Unless otherwise determined by an Authorized Officer of the City, the Series D Commercial Paper Notes herein authorized shall be in such denomination or denominations of \$100,000 or any larger integral multiples of \$1,000. The Series D Commercial Paper Notes shall be issued as discount notes and shall not bear interest, and shall bear such number or numbers and such date or dates of issue and maturity, as shall be specified in a Request given or delivered to the Issuing Agent pursuant to Section 204 hereof.

2. The Series D Commercial Paper Notes shall be dated the date of their issuance and shall be issued in bearer form, without coupons. Unless an Authorized Officer of the City shall otherwise direct, the Series D Commercial Paper Notes shall be consecutively numbered.

3. The Series D Commercial Paper Notes shall not be subject to redemption prior to maturity.

4. The Series D Commercial Paper Notes shall otherwise have such terms and conditions as shall be set forth in a Request to be given or delivered pursuant to Section 204 hereof in connection with the issuance of the Series D Commercial Paper Notes; *provided, however,* that unless the City shall adopt an appropriate supplement to this Fourth Supplemental Subordinated Resolution amending the following parameters, each Series D Commercial Paper Note:

(i) shall have an effective interest rate (calculated on the basis of a 360 day year and on the basis of actual days elapsed), based on the original discount thereon, not in excess of 20% per annum, and

(ii) shall mature not more than 270 days after the date of issuance thereof, and in no event later than the earlier to occur of (a) the second Business Day preceding the Termination Date or (b) June 14, 2030 (or, if such day is not a Business Day, the next preceding Business Day).

5. No Series D Commercial Paper Note shall be issued pursuant to this Fourth Supplemental Subordinated Resolution unless, at the time of such issuance, (i) the Series D Commercial Paper Notes shall have been assigned commercial paper ratings of no lower than A-2 (or its equivalent) by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc, or P-2 (or its equivalent) by Moody's Investors Service or an equivalent rating by another nationally recognized rating agency, (ii) the aggregate principal amount of all Series D Commercial Paper Notes then Outstanding and the aggregate principal amount then Outstanding of all Series B Bank Bonds, after giving effect to (a) the issuance of Series D Commercial Paper Notes and borrowings under the Credit Agreement on such date and (b) the application of the proceeds thereof, is equal to or less than \$25,000,000 and (iii) the aggregate principal amount of all Series D Commercial Paper Notes Outstanding after giving effect to (a) the issuance of Series D Commercial Paper Notes and borrowings under the Credit Agreement on such date and (b) the application of the proceeds thereof, will be equal to or less than the aggregate unused available amount of the commitment(s) of the Bank(s) under the Credit Agreement (*i.e.*, the aggregate amount of the Bank(s)' commitment(s) under the Credit Agreement, less the aggregate principal amount of loans made under the Credit Agreement at the time remaining unpaid). A Series D Commercial Paper Note or all or a portion of the principal amount of a Series B Bank Bond shall not be deemed Outstanding for purposes of this paragraph 5 to the extent the proceeds of other Series D Commercial Paper Notes or borrowings under the Credit Agreement are to be applied toward the payment thereof.

6. Notwithstanding anything to the contrary contained herein, no Series D Commercial Paper Notes shall be authenticated, issued or delivered from and after (a) the receipt by the City and the Issuing Agent of No-Issuance Instructions from the Agent given in

accordance with the Credit Agreement, unless otherwise permitted by the Credit Agreement, or (b) the occurrence of any event or condition which terminates the commitment(s) of the Bank(s) to make loans under the Credit Agreement for the purpose of paying the principal of Series D Commercial Paper Notes.

SECTION 204. Delivery of Series D Commercial Paper Notes. 1. Prior to the delivery by the Issuing Agent of any Series D Commercial Paper Notes under this Fourth Supplemental Subordinated Resolution, there shall be given or delivered, via telephone, facsimile or any other communication medium available to the City, or, if available, an On-Line Terminal, to the Issuing Agent a Request of the City instructing the Issuing Agent to authenticate and deliver such Series D Commercial Paper Notes to the purchaser or purchasers therein specified, which Request shall and approve on behalf of the City the issuance of such Series D Commercial Paper Notes and shall contain instructions (or shall approve such instructions theretofore given by the Dealer) with respect to:

(i) the aggregate principal amount of Series D Commercial Paper Notes then to be issued and the denominations in which they are to be issued,

(ii) the amount of original issue discount with respect to each Series D Commercial Paper Note,

(iii) the date of each Series D Commercial Paper Note and the maturity date thereof, and

(iv) the purchase price of each Series D Commercial Paper Note which shall be equal to the principal amount of such Series D Commercial Paper Note, less the amount of original discount with respect thereto and less the fee of the Dealer.

2. All oral Requests or Requests given by electronic transmission (other than by an On-Line Terminal) given as herein provided shall be confirmed in writing by an Authorized Officer of the City (or a Designee thereof) as promptly as practicable thereafter. Any Request given by an On-Line Terminal shall be given by an Authorized Officer of the City (or a Designee thereof) and need not be confirmed in writing, and the giving of such Request by an On-Line Terminal shall be deemed to be a representation and warranty by the City as to the matters stated in paragraph 2 of the form of written Request set forth below. Written Requests and written confirmations of oral or electronically transmitted Requests shall be in substantially the following form:

City of Gainesville, Florida
Request Pursuant to Section 204 of the
Fourth Supplemental Subordinated Utilities
System Revenue Bond Resolution
adopted June 15, 2000

No. _____

1. The City of Gainesville, Florida, a municipal corporation organized and existing under the laws of the State of Florida (the "City"), hereby

[instructs] [confirms that it has today instructed] Bankers Trust Company, New York, New York, as Subordinated Bond Paying Agent and Subordinated Bond Registrar (the "Agent") under its Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution adopted on June 15, 2000 (the "Fourth Supplemental Subordinated Resolution"), to authenticate and deliver to _____ the Utilities System Commercial Paper Notes, Series D described in Schedule A hereto (the "Series D Commercial Paper Notes") bearing such dates and in such amounts and maturing on such dates as are set forth in Schedule A attached hereto.

2. The City hereby represents and warrants that no Event of Default exists under the Resolution, the Subordinated Resolution or any Related Agreement (as specified in such documents), that no event has occurred which, with the passage of time, the giving of notice, or both, would become such an Event of Default, that the City has performed all of the covenants and agreements that it is required to have performed under the Fourth Supplemental Subordinated Resolution, the Subordinated Resolution, the Resolution and the Related Agreements, that the City has not received No-Issuance Instructions that have not been revoked by the Agent under the Credit Agreement (or, if any such Instructions have been received by the City and have not been revoked, that the issuance of the Series D Commercial Paper Notes is permitted under the Credit Agreement), that the issuance and delivery of the Series D Commercial Paper Notes have been duly authorized by the City and that, immediately after the issuance and delivery of such Series D Commercial Paper Notes and giving effect to any immediate application of the proceeds thereof to the payment of Series D Commercial Paper Notes or borrowings under the Credit Agreement, the principal amount of Series D Commercial Paper Notes Outstanding under the Fourth Supplemental Subordinated Resolution will be as indicated opposite Item 1 on Schedule A and the aggregate available commitment(s) under the Credit Agreement at such time will be as indicated opposite Item 2 on Schedule A.

3. Unless otherwise defined herein, the terms used in this Request have the respective meanings given to such terms in the Fourth Supplemental Subordinated Resolution.

IN WITNESS WHEREOF the undersigned has hereunto set his/her hand this ____ day of _____, 20__.

CITY OF GAINESVILLE, FLORIDA

By: _____
Title:

TERMS OF SERIES D COMMERCIAL PAPER NOTES

<u>Note Number*</u>	<u>Principal Amount</u>	<u>Date of Issuance</u>	<u>Maturity Date</u>	<u>Original Issue Discount</u>	<u>Dealer Fee</u>	<u>Purchase Price</u>
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<u>Item No.</u>	<u>Description</u>	<u>Amount</u>
1	Principal Amount of Series D Commercial Paper Notes Outstanding under the Fourth Supplemental Subordinated Resolution	
2	Available Commitment(s) under the Credit Agreement	

* If such Series D Commercial Paper Note is to be issued in book-entry form as permitted by Section 208 of the Fourth Supplemental Subordinated Resolution, insert "Book-Entry" in this column.

3. If an act of God shall occur, the effect of which is to interfere with the City's normal operations in such a manner so as to prevent the giving of Requests in the manner provided in this Section 204, then any Authorized Officer of the City (or a Designee thereof) may, by notice given to the Dealer and the Issuing Agent, authorize any authorized officer of the Dealer to give, during the continuance of such interference with the normal operations of the City, Requests in the manner and with the effect set forth in this Section 204; *provided, however*, that no such request given by the Dealer may authorize the issuance of a Series D Commercial Paper Note with a maturity in excess of thirty (30) days. Any such notice by an Authorized Officer of the City (or a Designee thereof) may be given orally or in writing, but, if given orally, shall be confirmed in writing as soon as practicable thereafter. In such event, any Request so given shall, for all purposes of this Fourth Supplemental Subordinated Resolution and the Issuing and Paying Agency Agreement, be deemed to have been given by such Authorized Officer of the City (or such Designee). Any such authority given by an Authorized Officer of the City (or a Designee thereof) may be revoked at any time by an Authorized Officer of the City (or a Designee thereof) and, immediately upon the termination of such interference with the normal operations of the City, shall be deemed to be revoked.

SECTION 205. Form of Series D Commercial Paper Notes. The Series D Commercial Paper Notes issued under this Fourth Supplemental Subordinated Resolution shall be substantially in the form set forth in Article VII hereof with such appropriate variations, omissions and insertions as are permitted or required by this Fourth Supplemental Subordinated Resolution; *provided, however*, that for so long as DTC shall serve as Securities Depository for any of the Series D Commercial Paper Notes, the form of Series D Commercial Paper Note registered in the name of Cede (hereinafter defined) shall be substantially in the form of the "Municipal Commercial Paper – TECP Master Note" referred to in the Letter of Representations with such appropriate variations, omissions and insertions as are permitted or required by this Fourth Supplemental Subordinated Resolution; and *provided, further*, that if at any time a securities depository other than DTC shall serve as Securities Depository for any of the Series D Commercial Paper Notes, then such Series D Commercial Paper Notes shall be issued in such form as an Authorized Officer of the City shall determine is necessary or desirable in order to qualify such Series D Commercial Paper Notes for issuance in book-entry form through the facilities of such other Securities Depository.

SECTION 206. Subordinated Bond Paying Agent and Subordinated Bond Registrar for the Series D Commercial Paper Notes. Bankers Trust Company is hereby appointed by the City as the initial Subordinated Bond Paying Agent and Subordinated Bond Registrar for the Series D Commercial Paper Notes. Acceptance by the Issuing Agent of its appointment shall be evidenced by the execution and delivery of the Initial Issuing and Paying Agency Agreement.

SECTION 207. Use of Series D Commercial Paper Note Proceeds. Except as provided in the second following sentence, all Series D Commercial Paper Note proceeds shall be credited by the Issuing Agent to the Series D CP Note Payment Account and applied to the payment of principal of maturing Series D Commercial Paper Notes and, upon instructions of the City, to the payment of principal of the Series B Bank Bonds. Until so applied all proceeds of the Series D Commercial Paper Notes shall be held in cash and shall not be invested. On any date on which Series D Commercial Paper Notes are being issued to finance a portion of the Cost

of Acquisition and Construction of the System, so long as, immediately prior to and after giving effect to such issuance, no Tender Event shall have occurred and be continuing, all of the proceeds thereof shall be wired to the City for deposit in the Construction Fund, and shall be applied to the payment of such Cost of Acquisition and Construction of the System.

SECTION 208. Book-Entry System. 1. Upon determination of an Authorized Officer of the City, and except as provided in paragraph 4 of this Section 208, any or all of the Series D Commercial Paper Notes may be issued in book-entry form through the facilities of DTC in the manner provided in this Section, and subject to the provisions of the Letter of Representations. In the event that any Series D Commercial Paper Notes shall be issued in book-entry form as aforesaid, unless otherwise provided in the Letter of Representations, (w) such Series D Commercial Paper Notes shall be issued in the form of a single, fully registered Subordinated Bond, (x) such Series D Commercial Paper Note shall be and constitute the “Municipal Commercial Paper – TECP Master Note” referred to in the Letter of Representations, (y) all references in this Fourth Supplemental Subordinated Resolution to a “Series D Commercial Paper Note” shall be deemed to refer to any or all, as the case may be, of the separate obligations of the City evidenced by such Series D Commercial Paper Note and (z) any reference in this Fourth Supplemental Subordinated Resolution to the authentication, issuance or delivery of a Series D Commercial Paper Note shall be deemed to refer to the incurrence of an additional separate obligation evidenced by such Series D Commercial Paper Note.

2. In the event that Series D Commercial Paper Notes shall be issued in book-entry form as provided in paragraph 1 of this Section 208, the Holder of such Series D Commercial Paper Note shall be, and such Series D Commercial Paper Note shall be registered in the name of, Cede & Co. (“Cede”), as nominee of DTC, and payment of the principal of any obligation evidenced by such Series D Commercial Paper Note shall be made in accordance with the provisions of the Subordinated Resolution to the account of Cede on the maturity date of such obligation. Upon delivery by DTC to the City or the Subordinated Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Subordinated Resolution, the word “Cede” in this Fourth Supplemental Subordinated Resolution shall refer to such new nominee of DTC. In the event that the City shall appoint a securities depository other than DTC as Securities Depository for the Series D Commercial Paper Notes, as permitted by paragraph 1 or paragraph 5 of this Section 208, the word “Cede” in this Fourth Supplemental Subordinated Resolution shall refer to such other Securities Depository or its nominee, as the case may be.

3. With respect to any Series D Commercial Paper Note so registered in the name of the Securities Depository therefor (or its nominee) as provided in paragraph 1 of this Section 208, the City and the Issuing Agent shall have no responsibility or obligation to any participant in, or member of, such Securities Depository or to any beneficial owner of such Series D Commercial Paper Note. Without limiting the immediately preceding sentence, the City and the Issuing Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of such Securities Depository or any nominee thereof or any participant in or member of such Securities Depository with respect to any beneficial ownership interest in such Series D Commercial Paper Note, (ii) the delivery to any participant in or member of such Securities Depository, beneficial owner or other person, other than such Securities Depository, of any notice with respect to such Series D Commercial Paper Note or (iii) the payment to any

participant in or member of such Securities Depository, beneficial owner or other person, other than such Securities Depository, of any amount with respect to the principal of such Series D Commercial Paper Note or any obligation evidenced thereby. The City and the Issuing Agent may treat each Securities Depository as, and deem such Securities Depository to be, the absolute owner of any Series D Commercial Paper Note registered in its name (or the name of its nominee) for all purposes whatsoever, including (but not limited to) (i) payment of the principal of such Series D Commercial Paper Note or any obligation evidenced thereby, (ii) giving notices with respect to such Series D Commercial Paper Note and (iii) giving to the City any notice, consent, request or demand pursuant to the Subordinated Resolution for any purpose whatsoever. The Issuing Agent shall pay the principal of such Series D Commercial Paper Note or any obligation evidenced thereby only to or upon the order of the Securities Depository therefor or its nominee, and all such payments shall be valid and effective to satisfy fully and discharge the City's obligations with respect to such principal, to the extent of the sum or sums so paid. Except as provided in paragraph 5 of this Section, and unless otherwise provided in the Letter of Representations, no person other than the Securities Depository therefor shall receive a Series D Commercial Paper Note evidencing the obligation of the City to make payments of principal of such Note pursuant to the Subordinated Resolution. Notwithstanding anything to the contrary herein, for so long as any of the Series D Commercial Paper Notes are subject to the book-entry system of registration authorized by this Section 208, an Authorized Officer of the City may determine that any Series D Commercial Paper Note or Notes shall be issued in certificated form.

4. (a) A Securities Depository may determine to discontinue providing its services with respect to the Series D Commercial Paper Notes at any time by giving reasonable notice thereof to the City or the Issuing Agent.

(b) Any Authorized Officer of the City, in such Officer's sole discretion and without the consent of any other person, may terminate the services of a Securities Depository with respect to the Series D Commercial Paper Notes if such Officer determines that (i) such Securities Depository is unable to discharge its responsibilities with respect to the Series D Commercial Paper Notes or (ii) a continuation of the system of book-entry transfers through such Securities Depository (or a successor securities depository) is not in the best interests of the beneficial owners of the Series D Commercial Paper Notes or of the City.

5. Upon the termination of the services of a Securities Depository with respect to the Series D Commercial Paper Notes pursuant to paragraph 4(b)(ii) hereof, or upon the discontinuance or termination of the services of a Securities Depository with respect to the Series D Commercial Paper Notes pursuant to paragraph 4(a) or paragraph 4(b)(i) hereof after which no substitute securities depository willing to undertake the functions of the Securities Depository hereunder can be found which, in the opinion of an Authorized Officer of the City, is willing and able to undertake such functions upon reasonable and customary terms, the Series D Commercial Paper Notes subject to such book-entry system shall no longer be subject to such book-entry system. In such event, the Series D Commercial Paper Notes shall be issuable only in the form of Bearer Commercial Paper Notes and the City shall issue and the Issuing Agent shall authenticate Series D Commercial Paper Note certificates as requested by such Securities Depository or as otherwise determined by an Authorized Officer of the City and specified in a Request delivered to the Issuing Agent pursuant to Section 204 hereof.

6. Notwithstanding any other provision of the Subordinated Resolution to the contrary, so long as any Series D Commercial Paper Notes are registered in the name of a

Securities Depository (or its nominee), all payments with respect to the principal of such Series D Commercial Paper Notes or any obligation evidenced thereby and all notices with respect to the Series D Commercial Paper Notes shall be made and given, respectively, to such Securities Depository (or its nominee) as provided in the Letter of Representations.

SECTION 209. Additional Provisions Relating to the Series D Commercial Paper Notes. Notwithstanding anything to the contrary contained herein, in the Subordinated Resolution or in any Series D Commercial Paper Note, for the purposes of (i) receiving payment of a Series D Commercial Paper Note if the principal of all Subordinated Bonds is declared immediately due and payable following an Event of Default, as provided in Section 8.01 of the Subordinated Resolution or (ii) computing the principal amount of Subordinated Bonds held by the Holder of a Series D Commercial Paper Note in giving to the City any notice, consent, request, or demand pursuant to the Subordinated Resolution for any purpose whatsoever, the principal amount of a Series D Commercial Paper Note shall be deemed to be its then current “accreted value.” For purposes of the preceding sentence, the term “accreted value” shall mean, as of any date of computation with respect to any Series D Commercial Paper Note, an amount equal to the sum of (X) the purchase price at which such Note was originally sold (*i.e.*, the principal amount of such Note less the amount of original issue discount thereon) and (Y) the portion of the original issue discount accrued on such Note from the date of original issuance of such Note to the date of computation, such original issue discount being deemed to accrue daily over the term to maturity of such Note on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates) and on the basis of a 360-day year.

ARTICLE III

AUTHORIZATION OF SERIES B BANK BONDS

SECTION 301. Principal Amount and Designation of Series. Pursuant to the provisions of the Resolution and the Subordinated Resolution, a Series of Special Subordinated Bonds is hereby authorized in a maximum aggregate principal amount Outstanding at any one time of up to \$25,000,000; *provided, however*, that the aggregate principal amount of such Special Subordinated Bonds and the aggregate principal amount of Series D Commercial Paper Notes permitted to be Outstanding at any time shall not exceed \$25,000,000. Such Special Subordinated Bonds shall constitute Option Subordinated Bonds for purposes of the Subordinated Resolution, and shall be designated as, and shall be distinguished from the Subordinated Bonds of all other Series by the title, “Utilities System Subordinated Bank Bonds, Series B”. All or a portion of the principal amount of a Series B Bank Bond or a Series D Commercial Paper Note shall not be deemed Outstanding for purposes of this Section 301 to the extent the proceeds of borrowings under the Credit Agreement or other Series D Commercial Paper Notes are to be applied toward the payment thereof.

SECTION 302. Purpose. The Series B Bank Bonds are authorized for the purpose of evidencing the City’s obligation to repay amounts borrowed under the Credit Agreement.

SECTION 303. Execution and Delivery of Series B Bank Bonds, Dates and Denominations. On or prior to the date on which the commitment(s) under any Credit

Agreement shall become effective, the City shall execute, authenticate and deliver to the Agent under such Credit Agreement, for the account of each Bank that is a party to such Credit Agreement, Series B Bank Bonds as hereinafter in this Section provided. The Series B Bank Bonds shall be in fully registered form, without coupons, and shall be dated the date of their execution and delivery. Except as provided in Section 307, and except as otherwise may be provided in the Credit Agreement, a single, separate Series B Bank Bond shall be issued on behalf of each Bank, registered in the name of such Bank. Each Series B Bank Bond shall have a stated maximum principal amount equal to the commitment under the Credit Agreement for the Bank in whose name such Series B Bank Bond is registered; *provided, however*, that the aggregate of the stated maximum principal amounts of all Series B Bank Bonds to be Outstanding at any time shall not exceed the aggregate principal amount of the Series D Commercial Paper Notes authorized pursuant to Section 201 (\$25,000,000).

SECTION 304. Outstanding Principal Amounts of Series B Bank Bonds, Interest on Series B Bank Bonds, Payment of Series B Bank Bonds and Optional Tender for Payment.

1. The principal amount Outstanding with respect to any Series B Bank Bond at any time shall equal the amount borrowed by the City under the Credit Agreement from the Bank in whose name such Series B Bank Bond shall be registered, less any prior repayments thereof.

2. Each Series B Bank Bond shall bear interest during the same periods and at the same rates as are applicable to the loans evidenced by such Series B Bank Bond made by a Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.

3. The principal of the Series B Bank Bonds, and interest thereon, shall be payable (and prepayable) at the same times and in the same amounts as are applicable to the respective loans evidenced by such Series B Bank Bonds made by the Bank(s) under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.

4. Upon the occurrence of any Tender Event, the Agent or the Bank, as the case may be, may, and, if and to the extent provided in the Credit Agreement, shall, by notice to the City, tender the Series B Bank Bonds for payment by the City prior to the due date of the Outstanding principal amount thereof, whereupon the City shall be obligated to pay the Outstanding principal amount of each Series B Bank Bond (together with accrued interest thereon) without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; *provided, however*, that if and to the extent provided in the Credit Agreement, upon the occurrence of any particular Tender Events specified therein, without any notice to the City or any other act by the Agent or the Bank, as the case may be, the Series B Bank Bonds immediately shall be deemed to be tendered for payment to the City and the City shall be obligated immediately to pay the Outstanding principal amount of the Series B Bank Bonds (together with accrued interest thereon) without presentment, demand, protest or notice of any kind, all of which are hereby waived by the City. The Series B Bank Bonds immediately shall be due and payable upon their becoming subject to payment by the City pursuant to this Section.

SECTION 305. Form of Series B Bank Bonds and Schedule of Loans and Repayments, Completion of Such Schedule.

1. The Series B Bank Bonds issued under this Fourth Supplemental Subordinated Resolution, including the schedule of loans and repayments

attached thereto, shall be substantially in the form set forth in Article VIII hereof with such appropriate variations, omissions and insertions as are permitted or required by this Fourth Supplemental Subordinated Resolution or the Credit Agreement.

2. The Holder of each Series B Bank Bond is authorized to record on the schedule of loans and repayments attached to such Series B Bank Bond, or a continuation thereof, each loan made by such Holder to the City, the respective dates, amounts, types and maturities thereof and all repayments of the principal thereof and, prior to any transfer thereof, appropriate notations to evidence the foregoing information shall be endorsed by such Holder on such schedule, or a continuation thereof; *provided, however*, that the failure of such Holder to make any such recordation or endorsement shall not affect the obligations of the City under such Series B Bank Bond or under the Credit Agreement.

SECTION 306. Principal Installments of Series B Bank Bonds to Constitute Refundable Principal Installments In accordance with the provisions of the Subordinated Resolution, it is hereby declared to be the intent of the City that the Principal Installment of each Series B Bank Bond Outstanding from time to time shall be and constitute a Refundable Principal Installment; *provided, however*, that on each date on which any portion of a loan made pursuant to the Credit Agreement is, in accordance with the terms of the Credit Agreement, required to be repaid by the City to the Bank(s), the City intends to pay from Revenues the portion of the principal amount of each Series B Bank Bond Outstanding on such date that is equal to the portion of the loan evidenced thereby that, pursuant to the Credit Agreement, is due and payable on such date; and *provided, further*, that upon any tender or deemed tender of a Bank Bond for payment by the City at the option of the Holder thereof, in accordance with paragraph 4 of Section 304, the principal amount of such Series B Bank Bond Outstanding shall thereupon cease to be a Refundable Principal Installment.

SECTION 307. Limitations on Transfer and Exchange of Series B Bank Bonds. 1. Except as hereinafter provided in this Section, and notwithstanding anything to the contrary contained in the Subordinated Resolution, the Series B Bank Bonds shall not be transferable by the Holders thereof.

2. Notwithstanding the provisions of paragraph 1 of this Section, if and to the extent provided in the Credit Agreement, any Holder of a Series B Bank Bond may, by notice in writing to the City, request that its loans of a particular type be evidenced by a separate Series B Bank Bond in an amount equal to the aggregate unpaid principal amount of such loans. Upon receipt of any such request, and upon presentation and surrender by such Holder of its Series B Bank Bond, the City shall execute and deliver to such Holder, in substitution for the Series B Bank Bond so surrendered, separate Series B Bank Bonds in respective principal amounts equal to the aggregate unpaid principal amounts of the loans of each such particular type.

3. Notwithstanding the provisions of paragraph 1 of this Section, any Holder of a Series B Bank Bond may assign its rights with respect to such Series B Bank Bond and its commitment under the Credit Agreement in accordance with the provisions of the Credit Agreement. Upon such assignment, and upon presentation and surrender of such Series B Bank Bond, the City shall execute and deliver to the appropriate person(s), in substitution for the Series B Bank Bonds so surrendered, one or more Series B Bank Bonds in an aggregate principal amount equal to the principal amount of the Series B Bank Bond so surrendered, so as to give effect to such assignment.

SECTION 308. Subordinated Bond Paying Agent and Subordinated Bond Registrar for the Series B Bank Bonds. The City shall serve as the initial Subordinated Bond Paying Agent and Subordinated Bond Registrar for the Series B Bank Bonds.

ARTICLE IV

SECURITY FOR SERIES D COMMERCIAL PAPER NOTES AND SERIES B BANK BONDS; AND APPLICATION OF ACCOUNTS

SECTION 401. Establishment of Series D CP Note Payment Account, Deposits Thereto and Application Thereof. 1. There is hereby established a Series D CP Note Payment Account, which shall be held by the Subordinated Bond Paying Agent for the Series D Commercial Paper Notes.

2. Amounts on deposit in the Series D CP Payment Account are hereby pledged as additional security for the payment of the principal of the Series D Commercial Paper Notes, subject only to the provisions of this Fourth Supplemental Subordinated Resolution permitting the application thereof for the purposes and on the terms and conditions set forth herein.

3. Amounts on deposit in the Series D CP Note Payment Account shall be applied to the payment of the principal of the Series D CP Notes and the principal of, and interest on, the Series B Bank Bonds or, upon direction of an Authorized Officer of the City (or a Designee thereof), so long as no Tender Event shall have occurred and be continuing, shall be wired to the City for deposit in the Construction Fund, and applied to the payment of a portion of the Cost of Acquisition and Construction of the System.

SECTION 402. Application of Moneys in Subordinated Indebtedness Fund. 1. Subject to the provisions of Section 5.02 of the Subordinated Resolution, amounts in the Subordinated Indebtedness Fund shall be applied to the payment of the principal of the Series D Commercial Paper Notes and the principal of, and interest on, the Series B Bank Bonds when due, as further provided in this Section 402.

2. To the extent moneys are not available by 3:00 p.m. (New York City time) on any date in the Series D CP Note Payment Account from the proceeds of Series D Commercial Paper Notes, borrowings under the Credit Agreement or other lawful sources to pay the full principal of Series D Commercial Paper Notes maturing on such date, then the City shall, by telephone, telecopier or other telecommunications device, direct the Trustee to pay out of the Subordinated Indebtedness Fund, and upon such direction the Trustee shall pay, to the Issuing Agent for deposit in the Series D CP Note Payment Account, the amount of such difference. Such direction shall promptly be confirmed in writing by an Authorized Officer of the City (or a Designee thereof).

3. To the extent moneys are not available on any date in the Series D CP Note Payment Account from the proceeds of Series D Commercial Paper Notes or other lawful sources to pay the full principal of, or interest on, the Series B Bank Bonds due on such date, then the City shall, by telephone, telecopier or other telecommunications device, direct the Trustee to pay out of the Subordinated Indebtedness Fund, and upon such direction the Trustee shall pay, to the Holders of such Series B Bank Bonds the amount of such difference. Such

direction shall promptly be confirmed in writing by an Authorized Officer of the City (or a Designee thereof). In making the payments provided for in this paragraph 3, the Trustee may rely upon written statements from the Agent as to the principal of, or interest on, the Series B Bank Bonds. Payments in respect of the Series B Bank Bonds shall be made to the Agent for distribution to the Holders of the Series B Bank Bonds.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE CITY

The City hereby represents, warrants and agrees with the Holders of the Series D Commercial Paper Notes as follows:

SECTION 501. Payment of Series D Commercial Paper Notes. The City shall duly and punctually pay or cause to be paid, but solely from the sources specified in this Fourth Supplemental Subordinated Resolution, the principal of each of the Series D Commercial Paper Notes at the dates and places and in the manner mentioned in the Series D Commercial Paper Notes, according to the true intent and meaning thereof. For the purpose of providing for the payment of the principal of Outstanding Series D Commercial Paper Notes on the date that the same shall become due and payable, the City, on or prior to such date, will pay or cause to be paid to the Trustee for deposit in the Subordinated Indebtedness Fund an amount which, together with other amounts then on deposit in such Subordinated Indebtedness Fund or on deposit in the Series D CP Note Payment Account, will be sufficient and available to make such payment on such date.

SECTION 502. Office for Servicing Series D Commercial Paper Notes. The City shall at all times maintain an agency in New York, New York where Series D Commercial Paper Notes may be presented for payment. The City shall at all times maintain an agency in New York, New York where notices, demands and other documents may be served upon the City in respect of the Series D Commercial Paper Notes or of this Fourth Supplemental Subordinated Resolution. The City hereby appoints the Issuing Agent to maintain such agencies and the Issuing Agent shall continuously maintain or make arrangements to provide such services.

SECTION 503. Further Assurance. At any and all times the City shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee or the Co-Trustee, if any, to pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the City may become bound to pledge or assign.

SECTION 504. Power to Pledge Series D CP Note Payment Account. The City is duly authorized under all applicable laws to pledge and assign amounts held in the Series D CP Note Payment Account. The moneys, securities and funds so pledged and assigned are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment created by this Fourth Supplemental Subordinated Resolution, and all action on the part of the City to that end has been and will be

duly and validly taken. The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and assignment of the moneys, securities and funds pledged and assigned hereby and all the rights of the Holders of the Series D Commercial Paper Notes hereunder, against all claims and demands of all persons whomsoever.

SECTION 505. Tax Covenants. 1. It is the intention of the City that original issue discount on the Series D Commercial Paper Notes and interest on the Series B Bank Bonds is to be included in the gross income for federal income tax purposes of the Holders thereof. Accordingly, for the purpose of failing to satisfy the requirements of Section 103 of the Code, the City covenants not to file any information report with respect to the Series D Commercial Paper Notes and the Series B Bank Bonds pursuant to Section 149(e) of the Code.

2. Notwithstanding any other provision of this Fourth Supplemental Subordinated Resolution or the Subordinated Resolution to the contrary, (a) upon the City's failure to observe or refusal to comply with the covenant contained in paragraph 2 above, the Holders of the Series D Commercial Paper Notes and the Holders of the Series B Bank Bonds shall be entitled to the rights and remedies provided to Holders under the Subordinated Resolution and this Fourth Supplemental Subordinated Resolution, other than the right (which is hereby abrogated solely in regard to the City's failure to observe or refusal to comply with the covenant contained in paragraph 2 above) to declare the principal of all Subordinated Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) the Holders of the Subordinated Bonds of any Series other than the Series D Commercial Paper Notes and the Series B Bank Bonds shall not be entitled to exercise any right or remedy provided to Holders under the Subordinated Resolution based upon the City's failure to observe, or refusal to comply with, the covenant contained in paragraph 2 above.

SECTION 506. Maintenance of Outstanding Commitment. 1. The City covenants and warrants that it will at all times maintain available commitment(s) under the Credit Agreement equal to the principal of the Outstanding Series D Commercial Paper Notes.

2. The City covenants that it will not substitute another liquidity support agreement for the Credit Agreement then in effect, nor will it permit or allow any Bank to assign all or any part of its obligation to make loans under the Credit Agreement unless, in any such case, either (a) prior to such substitution or assignment, as the case may be, the City shall have received written evidence from each rating agency then rating the Series D Commercial Paper Notes to the effect that such substitution or assignment, as the case may be, will not, by itself, result in a reduction or withdrawal of such rating agency's ratings of the Series D Commercial Paper Notes from those which then prevail or (b) in the case of any substitution or assignment, such substitution or assignment, as the case may be, shall by its terms provide that it shall not be effective with respect to each particular Series D Commercial Paper Note issued prior to the date on which such substitution or assignment shall be effective.

ARTICLE VI

DEFEASANCE OF SERIES D COMMERCIAL PAPER NOTES

SECTION 601. Defeasance of Series D Commercial Paper Notes. All or any portion of the Series D Commercial Paper Notes shall be deemed to have been paid within

the meaning and with the effect expressed in paragraph 1 of Section 12.01 of the Subordinated Resolution if there shall have been deposited with the Escrow Agent therefor either monies in an amount which shall be sufficient, or Investment Securities of the type enumerated in subsection (i) of the definition of Investment Securities in the Resolution the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Escrow Agent at the same time, shall be sufficient to pay when due the principal of said Series D Commercial Paper Notes on the maturity date thereof.

ARTICLE VII

FORM OF SERIES D COMMERCIAL PAPER NOTES

SECTION 701. Form of Series D Commercial Paper Notes. The form of the Series D Commercial Paper Notes shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by this Fourth Supplemental Subordinated Resolution; *provided, however*, that for so long as any Series D Commercial Paper Notes shall be issued in book-entry form as provided in Section 208 hereof, such Series D Commercial Paper Notes shall be issued in such form as is provided in Section 208 hereof:

[SERIES D COMMERCIAL PAPER NOTE FORM]

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF GAINESVILLE, FLORIDA
UTILITIES SYSTEM COMMERCIAL PAPER
NOTES, SERIES D

	Issue Date	Maturity Date	Principal Amount	Original Issue Discount
Note Number	_____	_____	\$ _____	\$ _____

On the Maturity Date (stated above), for value received, the CITY OF GAINESVILLE, FLORIDA (the "City") promises to pay to the Bearer the Principal Amount (stated above), which Principal Amount includes the Original Issue Discount (stated above), payable at the offices of Bankers Trust Company, New York, New York. This Note shall not bear interest.

This Note is one of the notes of the City known as Utilities System Commercial Paper Notes, Series D (the "Notes"), authorized for issuance, from time to time, pursuant to a resolution of the City adopted on January 26, 1989 entitled "Subordinated Utilities System Revenue Bond Resolution", as amended and supplemented (the "Subordinated Resolution"), and a supplemental resolution adopted by the City on June 15, 2000 entitled "Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution", authorizing the Notes up to but not exceeding \$25,000,000 in aggregate principal amount at any one time outstanding, or such lesser amount as may be permitted to be issued and outstanding thereunder (the "Fourth Supplemental Subordinated Resolution") and pursuant to the authority of and in full compliance with the

Constitution and Statutes of the State of Florida, including particularly Chapter 90-394, Laws of Florida, 1990, as amended and supplemented, and other applicable provisions of law, to finance a portion of the Costs of Acquisition and Construction of the System (as such terms are defined in the Resolution hereinafter referred to), to pay the principal of the Notes and to make payments with respect to outstanding borrowings under the Credit Agreement dated as of June 15, 2000 between the City and SunTrust Bank or such other credit agreement as is permitted by the Fourth Supplemental Subordinated Resolution (the "Credit Agreement"). The Subordinated Resolution is supplemental to the Utilities System Revenue Bond Resolution adopted by the City on June 6, 1983, as amended and supplemented from time to time (the "Resolution"). Reference is made to the Resolution and the Subordinated Resolution for a description of the rights, limitations on rights, obligations and duties thereunder of the City and the Holders of the Notes. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Subordinated Resolution.

This Note is a direct and special obligation of the City payable from and secured by amounts in the Series D CP Note Payment Account and amounts in the Subordinated Indebtedness Fund, subject, however, in the case of amounts held in the Subordinated Indebtedness Fund, to (i) the pledge and assignment of the Trust Estate (as defined in the Resolution) created by the Resolution as security for the Bonds and (ii) the pledge and assignment of the Subordinated Indebtedness Fund created by (a) the Subordinated Resolution as security for the Subordinated Bonds and (b) any Supplemental Resolution (as defined in the Resolution) as security for any Parity Subordinated Indebtedness. This Note and the Series of which it is one and the Series B Bank Bonds constitute Subordinated Bonds for all purposes of the Subordinated Resolution. In accordance with the provisions of the Resolution and the Subordinated Resolution, the City reserves the right to issue additional Subordinated Bonds and Parity Subordinated Indebtedness payable from and secured, on a parity with the Notes, by a pledge of amounts in the Subordinated Indebtedness Fund.

As security for the payment of the principal of the Notes, in accordance with their terms and the provisions of the Subordinated Resolution, the City has pledged and assigned the Series D CP Note Payment Account and the Subordinated Indebtedness Fund, including the moneys and securities contained therein, for the benefit of the Holders of the Notes, subject only to the provisions of the Resolution and the Subordinated Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Subordinated Resolution; *provided, however*, that in the case of the Subordinated Indebtedness Fund, (i) such pledge and assignment is on a parity with the pledge and assignment thereof created as security for the Subordinated Bonds and any Parity Subordinated Indebtedness and (ii) such pledge and assignment is subordinate in all respects to the pledge and assignment of the Trust Estate created by the Resolution as security for the Bonds. The Subordinated Indebtedness Fund is also pledged and assigned to the payment of the principal of, and interest on, the City's outstanding Subordinated Bonds, and may be pledged and assigned to the payment of any Parity Subordinated Indebtedness on a parity basis with the Notes.

This Note does not constitute a general indebtedness or a pledge of the full faith and credit of the City within the meaning of any constitutional or statutory provision or limitation of indebtedness. No Holder of this Note shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the City for the payment of the principal of the Notes or the making of any payments under the Subordinated

Resolution. This Note and the obligation evidenced hereby do not constitute a lien on any property of or in the City, other than the Series D CP Note Payment Account and the Subordinated Indebtedness Fund as provided in the Subordinated Resolution.

The payment of principal of this Note shall be subject to acceleration upon the occurrence of an Event of Default as provided in the Subordinated Resolution.

Notwithstanding anything to the contrary contained in the Subordinated Resolution or in this Note, for the purposes of (i) receiving payment of this Note if the principal of all Subordinated Bonds is declared immediately due and payable following an Event of Default, as provided in Section 8.01 of the Subordinated Resolution or (ii) computing the principal amount of Subordinated Bonds held by the Holder of this Note in giving to the City any notice, consent, request, or demand pursuant to the Subordinated Resolution for any purpose whatsoever, the principal amount of this Note shall be deemed to be this Note's then current "accreted value." For purposes of the preceding sentence, the term "accreted value" shall mean, as of any date of computation with respect to this Note, an amount equal to the sum of (X) the purchase price at which this Note was originally sold (*i.e.*, the principal amount of this Note less the amount of original issue discount hereon) and (Y) the portion of the original issue discount accrued on this Note from the date of original issuance of this Note to the date of computation, such original issue discount being deemed to accrue daily over the term to maturity of this Note on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates) and on the basis of a 360-day year.

To the extent and in the manner permitted by the terms of the Subordinated Resolution, the provisions of the Subordinated Resolution may be modified or amended by the City.

This Note shall not be entitled to any benefit under the Subordinated Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the manual signature of an authorized officer of the Issuing Agent.

IN WITNESS WHEREOF, the City of Gainesville, Florida has issued this Note and caused the same to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of the Clerk of the Commission.

(SEAL)

CITY OF GAINESVILLE, FLORIDA

Attested:

Mayor

Clerk of the Commission

Approved as to Form and Legality:

City Attorney

Countersigned for
Authentication only:

BANKERS TRUST COMPANY,
Issuing Agent

By _____
Authorized Officer

ARTICLE VIII

FORM OF SERIES B BANK BONDS

SECTION 801. Form of Series B Bank Bonds. The form of the Series B Bank Bonds shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by this Fourth Supplemental Subordinated Resolution:

[SERIES B BANK BOND FORM]

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF GAINESVILLE, FLORIDA
UTILITIES SYSTEM SUBORDINATED BANK BOND, SERIES B

No. _____

Gainesville, Florida

For value received, the CITY OF GAINESVILLE, FLORIDA (the "City") promises to pay to the order of _____ (the "Bank"), the lesser of (a) _____ DOLLARS (\$ _____) and (b) the unpaid principal amount of each Loan (as defined in the Credit Agreement referred to below) made by the Bank to the City pursuant to the Credit Agreement, at the times and in the amounts required by the Subordinated Resolution referred to below and the Credit Agreement. The City promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of the [the Bank] [Agent (as defined in the Credit Agreement)].

All Loans made by the Bank, the respective types thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; *provided, however*, that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the City hereunder or under the Credit Agreement.

This Bond (a) is one of the bonds of the City known as Utilities System Subordinated Bank Bonds, Series B (the "Bank Bonds"), issued pursuant to a resolution of the City adopted on January 26, 1989 entitled "Subordinated Utilities System Revenue Bond Resolution", as amended and supplemented (the "Subordinated Resolution"), and a supplemental resolution adopted by the City on June 15, 2000 entitled "Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution", as amended and supplemented, authorizing the Bank Bonds up to but not exceeding \$25,000,000 in aggregate principal amount at any one time outstanding, or such lesser amount as may be permitted to be issued and outstanding thereunder (the "Fourth Supplemental Subordinated Resolution"), and (b) is one of the Bank Bonds referred to in the [name of Credit Agreement], dated as of _____, _____, between the City and the Bank (as the same may be amended from time to time, the "Credit Agreement"). This Bond also constitutes an Option Subordinated Bond for purposes of the Subordinated Resolution. This Bond is issued pursuant to the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 90-394, Laws of Florida, 1990, as amended and supplemented, and other applicable provisions of law, to evidence the City's obligation to repay the Loans. The Subordinated Resolution is supplemental to the Utilities System Revenue Bond Resolution adopted by the City on June 6, 1983, as amended and supplemented from time to time (the "Resolution"). Reference is made to the Resolution, the Subordinated Resolution and the Credit Agreement for a description of the rights, limitations on

rights, obligations and duties thereunder of the City and the Holders of the Bank Bonds. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Subordinated Resolution.

This Bond is a direct and special obligation of the City payable from amounts in the Series D CP Note Payment Account and amounts in the Subordinated Indebtedness Fund, subject, however, in the case of amounts held in the Subordinated Indebtedness Fund, to (i) the pledge and assignment of the Trust Estate (as defined in the Resolution) created by the Resolution as security for the Bonds and (ii) the pledge and assignment of the Subordinated Indebtedness Fund created by (a) the Subordinated Resolution as security for the Subordinated Bonds and (b) any Supplemental Resolution (as defined in the Resolution) as security for any Parity Subordinated Indebtedness. This Bond and the Series of which it is one and the Series D Commercial Paper Notes constitute Subordinated Bonds for all purposes of the Subordinated Resolution. In accordance with the provisions of the Resolution and the Subordinated Resolution, the City reserves the right to issue additional Subordinated Bonds and Parity Subordinated Indebtedness payable from and secured, on a parity with the Bank Bonds, by a pledge of amounts in the Subordinated Indebtedness Fund.

As security for the payment of the principal of, and interest on, the Bank Bonds, in accordance with their terms and the provisions of the Subordinated Resolution, the City has pledged and assigned the Subordinated Indebtedness Fund, including the moneys and securities contained therein, for the benefit of the Holders of the Bank Bonds, subject only to the provisions of the Resolution and the Subordinated Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the Subordinated Resolution; *provided, however*, that (i) such pledge and assignment is on parity with the pledge and assignment thereof created as security for the Subordinated Bonds and any Parity Subordinated Indebtedness and (ii) such pledge and assignment is subordinate in all respects to the pledge and assignment of the Trust Estate created by the Resolution as security for the Bonds. The Subordinated Indebtedness Fund is also pledged and assigned to the payment of the principal of, and interest on, the City's outstanding Subordinated Bonds, and may be pledged and assigned to the payment of any Parity Subordinated Indebtedness on a parity basis with the Bank Bonds.

This Bond does not constitute a general indebtedness or a pledge of the full faith and credit of the City within the meaning of any constitutional or statutory provision or limitation of indebtedness. No Holder of this Bond shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the City for the payment of the principal of, and interest on, the Bank Bonds or the making of any payments under the Subordinated Resolution. This Bond and the obligations evidenced hereby do not constitute a lien on any property of or in the City, other than the Subordinated Indebtedness Fund as provided in the Subordinated Resolution.

Reference is made to the Subordinated Resolution and the Credit Agreement for provisions relating to the prepayment and tender (or deemed tender) for payment hereof and the acceleration of the maturity hereof.

This Bond is transferable only upon the terms and conditions, and subject to the limitations, set forth in the Fourth Supplemental Subordinated Resolution and the Credit Agreement.

To the extent and in the manner permitted by the terms of the Subordinated Resolution, the provisions of the Subordinated Resolution may be modified or amended by the City.

This Bond shall not be entitled to any benefit under the Subordinated Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the manual signature of an authorized officer of the City, as Subordinated Bond Registrar for the Bank Bonds.

IN WITNESS WHEREOF, the City of Gainesville, Florida has issued this Bond and caused the same to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or reproduced and attested by the manual or facsimile signature of the Clerk of the Commission.

(SEAL)

CITY OF GAINESVILLE, FLORIDA

Attested and Countersigned
for Authentication:

Mayor

Clerk of the Commission

Approved as to Form and Legality:

City Attorney

ARTICLE IX

AMENDMENTS TO THIS FOURTH SUPPLEMENTAL
SUBORDINATED RESOLUTION

SECTION 901. Amendments to this Fourth Supplemental Subordinated Resolution. This Fourth Supplemental Subordinated Resolution may be amended, at any time or from time to time, without the consent of the Holders of the Outstanding Series D Commercial Paper Notes or the Outstanding Series B Bank Bonds, for any of the following purposes: (a) to amend the parameters set forth in paragraph 4 of Section 204 hereof; (b) to provide for the issuance of the Series D Commercial Paper Notes in "book-entry" form through the facilities of a securities depository or in uncertificated form; and (c) to make any changes necessary to accommodate a substitute Credit Agreement, Dealer Agreement or Issuing and Paying Agency Agreement, in each case, that do not adversely affect the Holders of the Series D Commercial Paper Notes or the Series B Bank Bonds.

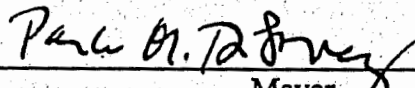
ARTICLE X

EFFECTIVE DATE

SECTION 1001. Effective Date. This Fourth Supplemental Subordinated Resolution shall be effective upon the delivery to the Trustee of a copy hereof certified by an Authorized Officer of the City.

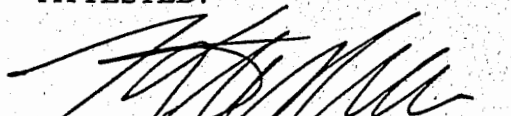
Fourth Supplemental Subordinated Resolution approved and adopted June 15, 2000.

THE CITY OF GAINESVILLE, FLORIDA



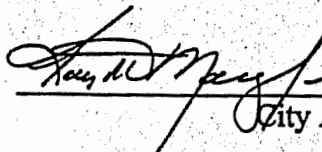
Mayor

ATTESTED:



Clerk of the Commission

Approved as to Form and Legality:



City Attorney

CLERK OF THE COMMISSION'S CERTIFICATE

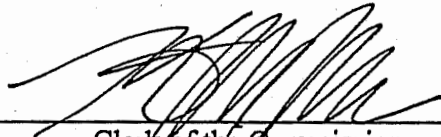
STATE OF FLORIDA:

COUNTY OF ALACHUA:

I, Kurt Lannon, the duly appointed, qualified and acting Clerk of the Commission of the City of Gainesville, Florida, a municipal corporation, do hereby certify that the foregoing is a true and correct copy of the Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution, which was duly and regularly adopted by the City Commission of the City of Gainesville, Florida at a special meeting on June 15, 2000.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Gainesville, Florida, this 27th day of July A.D., 2000.

[SEAL]



Clerk of the Commission