

SECOND AMENDMENT TO
SECOND SUPPLEMENTAL SUBORDINATED
UTILITIES SYSTEM REVENUE BOND RESOLUTION

WHEREAS, pursuant to (a) a resolution of the City of Gainesville, Florida (the "City") entitled "Utilities System Revenue Bond Resolution", adopted by the City on June 6, 1983, as heretofore amended and supplemented (the "Resolution"), (b) a resolution of the City, supplemental to the Resolution, entitled "Subordinated Utilities System Revenue Bond Resolution", adopted by the City on January 26, 1989, as heretofore supplemented (the "Subordinated Resolution"), and (c) a resolution of the City, supplemental to the Subordinated Resolution, entitled "Second Supplemental Subordinated Utilities System Revenue Bond Resolution", adopted by the City on October 5, 1992, as heretofore amended and supplemented (the "Second Supplemental Subordinated Resolution"), the City heretofore has authorized the issuance from time to time of its Utilities System Commercial Paper Notes, Series C (the "Series C Commercial Paper Notes") and its Utilities System Subordinated Bank Bonds, Series A (the "Series A Bank Bonds"), each of which, subject to the limitations set forth in the Second Supplemental Subordinated Resolution, may be Outstanding at any one time in a maximum aggregate principal amount of up to \$70,000,000; and

WHEREAS, the City desires to amend the Second Supplemental Subordinated Resolution to increase the maximum aggregate principal amount of the Series C Commercial Paper Notes and the Series A Bank Bonds that may be Outstanding at any one time to \$85,000,000, in order to finance an additional portion of the Cost of Acquisition and Construction of the System (such terms, and all other capitalized terms used herein without definition, having the respective meanings assigned thereto in the Resolution or, if not defined therein, in the Second Supplemental Subordinated Resolution); and

WHEREAS, clause 3 of Section 10.02 of the Resolution authorizes the City to adopt a Supplemental Resolution (including a Supplemental Subordinated Resolution, as such term is defined in the Subordinated Resolution), without the consent of the Holders of Outstanding Bonds, for the purpose of making any modification or amendment of the Resolution (including any Supplemental Resolution) which the Trustee determines will not have a material adverse effect on the interests of Bondholders; and

WHEREAS, clause 3 of Section 10.02 of the Subordinated Resolution authorizes the City to adopt a Supplemental Subordinated Resolution, without the consent of the Holders of Outstanding Subordinated Bonds, for the purpose of making any modification or amendment of the Subordinated Resolution (including any Supplemental Subordinated Resolution), upon the delivery of an

Opinion of Counsel to the effect that the provisions of such Supplemental Subordinated Resolution will not have a material adverse effect on the interests of the Holders of Outstanding Subordinated Bonds; and

WHEREAS, it is hereby determined to be desirable that the Second Supplemental Subordinated Resolution be amended in order to increase the maximum principal amount Outstanding at any one time of the Series C Commercial Paper Notes and the Series A Bank Bonds to \$85,000,000, and to authorize the issuance and delivery of additional Series A Bank Bonds in connection therewith;

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Gainesville, Florida as follows:

ARTICLE I

AUTHORITY

SECTION 101. Supplemental Subordinated Resolution. This Second Amendment to Second Supplemental Subordinated Utilities System Revenue Bond Resolution (this "Second Amendment") (a) is supplemental to, and is adopted in accordance with Article X of, the Resolution and (b) is supplemental to, and is adopted in accordance with Article X of, the Subordinated Resolution.

SECTION 102. Authority for this Second Amendment. This Second Amendment is adopted (i) pursuant to the provisions of the Act, (ii) in accordance with clause 3 of Section 1002 of the Resolution and (iii) in accordance with clause 3 of Section 10.02 of the Subordinated Resolution..

ARTICLE II

AMENDMENT OF SECOND SUPPLEMENTAL SUBORDINATED RESOLUTION
TO PROVIDE FOR AN INCREASE IN THE MAXIMUM AGGREGATE
PRINCIPAL AMOUNT OF SERIES C COMMERCIAL PAPER NOTES
AND SERIES A BANK BONDS AUTHORIZED TO BE OUTSTANDING
AND TO AUTHORIZE THE ISSUANCE OF ADDITIONAL SERIES A
BANK BONDS IN CONNECTION THEREWITH

SECTION 201. Amendment of Maximum Aggregate Principal Amounts of Series C Commercial Paper Notes and Series A Bank Bonds. In order to increase the maximum aggregate principal amount of Series C Commercial Paper Notes and Series A Bank Bonds authorized to be Outstanding, the Second Supplemental Subordinated Resolution is hereby amended to replace the dollar amount of "\$70,000,000" with the dollar amount of "\$85,000,000" in all places in such Resolution in which such dollar amount appears.

SECTION 202. Authorization of Execution and Delivery of Additional Series A Bank Bonds. In the event that the City shall cause the available commitment under the Credit Agreement to be increased in connection with the increase in the maximum authorized principal amount of the Series C Commercial Paper Notes provided for in Section 201 hereof, the City shall be authorized, in addition to the authority set forth in Section 303 of the Second Supplemental Subordinated Resolution, to execute, authenticate and deliver additional Series A Bank Bonds as hereinafter in this Section 202 provided. Such Series A Bank Bonds shall be in fully registered form, without coupons, and shall be dated the date of their execution and delivery. For each Bank whose commitment under the Credit Agreement is so increased, there shall be issued a single, separate Series A Bank Bond, registered in the name of such Bank. Each such Series A Bank Bond shall have a stated maximum principal amount equal to such increased commitment under the Credit Agreement of the Bank in whose name such Series A Bank Bond is registered. Each such Series A Bank Bond shall be authenticated and delivered to the Agent, for the account of each such Bank, concurrently with the effectiveness of such increase in the commitment under the Credit Agreement, but only upon the surrender to the City of the Series A Bank Bond delivered for the account of such Bank pursuant to Section 303 of the Second Supplemental Subordinated Resolution.

ARTICLE III

EFFECTIVE DATE

SECTION 301. Effective Date. This Second Amendment shall be effective upon (i) the delivery to the Trustee of a copy hereof certified by an Authorized Officer of the City, (ii) the filing with the City of an instrument in writing made by the Trustee consenting hereto, in substantially the form attached hereto as Annex A and (iii) receipt by the City of an Opinion of Counsel as required by Section 10.02 of the Subordinated Resolution; provided, however, that the additional Series C Commercial Paper Notes authorized to be issued and Outstanding as a result of the amendment to the Second Supplemental Subordinated Resolution set forth in Section 201 of this Second Amendment, and the additional Series A Bank Bonds authorized to be issued pursuant to Section 202 of this Second Amendment, shall not be issued except upon satisfaction by the City, on or prior to the date of issuance thereof, of the conditions set forth in clauses (2), (4), (5) and (6) of Section 2.02 of the Subordinated Resolution with respect thereto.

Second Amendment to Second Supplemental Subordinated
Utilities System Revenue Bond Resolution approved and adopted
September 23, 1996.

THE CITY OF GAINESVILLE, FLORIDA

Mayor-Commissioner

ATTESTED:

Clerk of the Commission

Approved as to Form
and Legality:

City Attorney

Annex A

CONSENT OF TRUSTEE

_____, 1996

The undersigned, as Trustee, under Resolution R-83-27, incorporating by reference and adopting the Utilities System Revenue Bond Resolution of the City of Gainesville, Florida (the "City") adopted on June 6, 1983 (the "Bond Resolution"), as heretofore amended and supplemented, hereby acknowledges the filing with it of a copy of the Second Amendment to Second Supplemental Subordinated Utilities System Revenue Bond Resolution (the "Second Amendment") adopted by the City on September 23, 1996, certified by an Authorized Officer of the City pursuant to Section 1002 of the Bond Resolution, and hereby consents to the adoption of the Second Amendment.

FIRST TRUST OF NEW YORK,
NATIONAL ASSOCIATION

By _____
Authorized Officer

[SEAL]

Attest:

Title: