

DIRECT PURCHASE AGREEMENT

between

CITY OF ORLANDO, FLORIDA

and

[LENDER]

Dated March 31, 2015

Relating to

[\$_____]

City of Orlando, Florida

Capital Improvement Refunding Special Revenue Bond, Series 2015A

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DIRECT PURCHASE AGREEMENT

THIS DIRECT PURCHASE AGREEMENT, dated March 31, 2015, is made and entered into by and between the **CITY OF ORLANDO, FLORIDA**, a municipal corporation organized and existing under the laws of the State of Florida (the "City"), and

(the "Lender" or "Bank").

RECITALS:

WHEREAS, the Ordinance bearing Documentary No. 25329, which was enacted on December 9, 1991 by the City of Orlando, Florida, as amended and supplemented, (the "Covenant Ordinance") authorized the issuance of bonds, notes or other debt obligations for the purpose of financing various capital improvements of the City for municipal purposes or refunding indebtedness of the City issued for such purposes; and

WHEREAS, the City previously issued its Capital Improvement Special Revenue Bonds, Series 2002 (the "2002 Bonds") to finance the construction and installation of certain parks, parklands, greenways and recreation improvements; and

WHEREAS, the City previously issued its Capital Improvement Special Revenue Bonds, Series 2004 (the "2004 Bonds") to finance certain capital improvements involving the design, engineering, construction and acquisition of a portion of the City's parks initiative; and

WHEREAS, the City previously issued its Capital Improvement Special Revenue Bonds, Series 2007A (the "2007A Bonds") to finance the current refunding of the April 1, 2007 maturity of the 2004 Bonds; and

WHEREAS, the City designated the April 1, 2015 maturity of the 2007A Bonds, which is currently outstanding in the aggregate principal amount of \$1,250,000, as "Designated Maturity Debt" within the meaning of the Covenant Ordinance; and

WHEREAS, the City previously issued its Capital Improvement Special Revenue Bonds, Series 2010A (the "2010A Bonds") to finance the refunding of the April 1, 2010 maturity of the 2002 Bonds, the April 1, 2010 maturity of the Capital Improvement Special Revenue Bonds, Series 2005A and the April 1, 2010 maturity of the Capital Improvement Refunding Special Revenue Bonds, Series 2008A; and

WHEREAS, the City designated the April 1, 2015 maturity of the 2010A Bonds, which is currently outstanding in the aggregate principal amount of \$5,000,000, as "Designated Maturity Debt" for purposes of the Covenant Ordinance; and

WHEREAS, the City desires to issue its Capital Improvement Refunding Special Revenue Bond, Series 2015A (the "Series 2015A Bond") as an Additional Bond issued under the Covenant Ordinance and use the proceeds thereof, together with other legally available funds of the City, to (i) finance the current refunding of the April 1, 2015 Designated Maturity Debt of the 2007A Bonds and the 2010A Bonds and (ii) pay, or reimburse the City for, the costs of issuance in relation to the Series 2015A Bond; and

WHEREAS, the Lender has agreed to purchase the Series 2015A Bond and as a condition to such purchase, the Lender has required the City to enter into this Agreement; and

WHEREAS, in order to set forth the terms and conditions upon which the Lender will hold the Series 2015A Bond, the City now desires to enter into this Agreement to set forth certain representations, warranties, covenants and agreements regarding the City.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Defined Terms. In addition to the words and terms defined above, the following capitalized terms when used herein shall have the following respective meanings:

“Affiliate” means any person, corporation, association or other business entity which directly or indirectly controls, or is controlled by, or is under common control with the City.

“Agreement” means this Direct Purchase Agreement, as the same may be amended, modified, supplemented or restated from time to time.

“Anti-Terrorism Laws” has the meaning assigned to such term in Section 5.9 of this Agreement.

“Bankruptcy Code” means Title 11 of the United States Code, as amended, and any successor statute or statutes having substantially the same function.

“Base Rate” means, for any day, a fluctuating rate of interest per annum equal to the highest of (i) the sum of the Prime Rate for such day plus one percent (1.00%) per annum, (ii) the sum of the Federal Funds Effective Rate for such day plus two percent (2.00%) per annum or (iii) seven percent (7.00%) per annum.

“Bond Counsel’s Opinion” means a written opinion of an attorney, or firm of attorneys, selected by the City which is of nationally recognized standing in the field of law relating to municipal bonds and the exclusion from gross income for federal income tax purposes of interest on municipal bonds.

“Breakage Fee” has the meaning assigned thereto in Section 2.2(c) herein.

“Business Day” means a day other than (a) a Saturday, Sunday or day on which banks in the State of Florida or banks located in any of the cities in which the principal office of the City or Lender is located are required or authorized by law or executive order to close for business, and (b) a day on which The New York Stock Exchange is closed.

“City Documents” means this Agreement, the Series 2015A Bond, the Covenant Ordinance, the Supplemental Resolution and any other executed documents or instruments to which the City is a party relating to this Agreement or the issuance of the Series 2015A Bond.

“City Representative” means any person authorized under the Covenant Ordinance, the Supplemental Resolution and, from time to time, in writing by the City to perform acts or execute documents on behalf of the City with respect to the Series 2015A Bond.

“Closing Date” means the date of execution and delivery of this Agreement, being March 31, 2015.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor federal tax code. Any reference to any provision of the Code shall also include the income tax regulations promulgated thereunder, whether final, temporary or proposed.

“Covenant Ordinance” has the meaning set forth in the Recitals hereto.

“Default” means any event that, with the passage of time or giving of notice, or both, would constitute an Event of Default hereunder.

“Default Rate” means, for any day, the rate of interest per annum equal to the lesser of (i) the sum of the Base Rate plus three percent (3.00%) per annum or (ii) the Maximum Lawful Rate.

“Determination of Taxability” means the occurrence, after the date hereof, of (i) a final ruling or judgment of any Federal court having competent jurisdiction, or a final action of the Internal Revenue Service, holding or finding that interest on the Series 2015A Bond is includable in the gross income of the Holder thereof for purposes of Federal income taxation under the Code solely as a result of conditions arising out of actions by the City or the omission by the City to take certain actions; provided, however, that no such ruling or judgment, or final action of the Internal Revenue Service, will be considered final for this purpose, unless the City has been given written notice thereof and, to the extent permitted by law, has been afforded the opportunity to contest the same, either directly or in the name of the Lender or such other Holder, and until the conclusion of any appellate review, if sought or (ii) an agreement between the City and any Holder of the Series 2015A Bond that a Determination of Taxability has occurred.

“Event of Default” means any of the events specified in Section 8.1 hereof.

“Federal Funds Effective Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Bank on such day on such transactions as determined by the Bank.

“Financial Statements” means the audited financial statements of the City for the Fiscal Year Ended September 30, 2013.

“Fiscal Year” shall mean the period commencing on October 1 of each year and ending on September 30 of the following year or such other twelve-month period designated by the City.

“Generally Accepted Accounting Principles” means generally accepted accounting principles, as recognized by the American Institute of Certified Public Accountants, consistently applied and maintained on a consistent basis for the City on a combined basis throughout the period indicated and consistent with the financial practice of the City after the date hereof; *provided, however*, that, in the event that changes in Generally Accepted Accounting Principles shall be mandated by the Financial Accounting Standards Board, or any similar accounting body of comparable standing, or shall be recommended by the City’s certified public accountants, to the extent that such changes would modify accounting terms used in this Agreement or the interpretation or computation thereof, such changes shall be followed in defining such accounting terms only from and after the date this Agreement shall have been amended to the extent necessary to reflect any such changes in the financial covenants and other terms and conditions of this Agreement.

“Governmental Authority” means any nation or government, any state, department, agency or other political subdivision thereof, or any court, tribunal, central bank or arbitrator, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

“Holder” means the Lender or any subsequent or other registered owner(s) of a Series 2015A Bond.

“Laws” means federal, state and local laws, statutes, rules, ordinances, regulations, codes, licenses, authorizations, decisions, injunctions, interpretations, orders or decrees of any court or other Governmental Authority having jurisdiction as may be in effect from time to time.

“Lender” means _____.

“Lender Rate” has the meaning ascribed to such term in Section 2.2(a)(ii) hereof.

“Material Adverse Effect” or “Material Adverse Change” means, other than a material adverse effect or a material adverse change resulting from any act or omission by a Holder, a material adverse effect upon, or a material adverse change in, any of: (i) the financial condition, operations, business, properties or prospects of the City, taken as a whole; (ii) the ability of the City to perform under this Agreement or any other City Document; (iii) the legality, validity or enforceability of this Agreement or any other City Document; or (iv) the security of the Holder granted under the Covenant Ordinance and the Supplemental Resolution or the rights and remedies of the Holder under this Agreement or the Covenant Ordinance.

“Maximum Lawful Rate” means the maximum rate of interest which the Series 2015A Bond may bear under the laws of the State of Florida.

“Obligations” means all amounts payable by the City to the Lender under this Agreement and the Series 2015A Bond.

“Parity Debt” means all other debt obligations issued under and pursuant to the Covenant Ordinance payable from Covenant Revenues as provided in the Covenant Ordinance on parity with the Series 2015A Bond.

“Participant” means any person to whom the Lender has participated any of its rights and interests under this Agreement and the Series 2015A Bond or to whom the Lender has sold a participation in rights and interests under this Agreement and the Series 2015A Bond, with the approval of the City as set forth in Section 9.8 hereof.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Prime Rate” means, for any day, the rate of interest per annum then most recently established by the Bank as its “prime rate.” Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Bank to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Bank may make various business or other loans at rates of interest having no relationship to such rate. If the Bank ceases to exist or to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

“Rate Period” means the period from and including the Closing Date to and including October 1, 2023.

“Supplemental Resolution” means the Resolution adopted by the City Council of the City on March 23, 2015, bearing City Documentary Number _____, as the same may be amended, modified or supplemented from time to time.

“Taxable Date” means the date as of which interest on the Series 2015A Bond is first includible in gross income of any Holder of the Series 2015A Bond as a result of a Determination of Taxability.

“Taxable Period” means, with respect to a Determination of Taxability, the period for which interest on the Series 2015A Bond is includable in the gross income of the Holder, beginning on the Taxable Date.

“Taxable Rate” means, for the Taxable Period, the product of (i) the Lender Rate during such period and (ii) 1.54; provided, however, that the Taxable Rate shall not exceed the Maximum Lawful Rate.

Section 1.2 Accounting Terms. Any accounting terms used in this Agreement that are not specifically defined shall have the meanings customarily given them in accordance with Generally Accepted Accounting Principles.

Section 1.3 Singular/Plural; Other Construction. Unless the context otherwise requires, words in the singular include the plural and words in the plural include the singular. To the extent that the Series 2015A Bond is at any time Outstanding as multiple registered bonds, then all references herein to the “Series 2015A Bond” shall be deemed to refer to the “Series 2015A Bonds” and all references herein to “Holder” shall be deemed to refer to the “Holders” of the Series 2015A Bonds.

Section 1.4 Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

Section 1.5 Certain Definitions Incorporated. Capitalized terms used herein without definition or which refer to the respective definitions in the Covenant Ordinance shall have the meanings ascribed to such terms in the Covenant Ordinance, together with the meanings of related defined terms contained within such definitions, and the same are deemed incorporated herein.

Section 1.6 Relation to Other Documents.

(a) Nothing in this Agreement shall be deemed to amend, or relieve the City of its obligations under any contract or agreement to which the City is a party.

(b) All references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document.

ARTICLE II PURCHASE OF SERIES 2015A BOND; PAYMENT OBLIGATION

Section 2.1 Purchase of Series 2015A Bond. A Bond of the City designated as the “City of Orlando, Florida Capital Improvement Refunding Special Revenue Bond, Series 2015A” has been authorized to be issued by the City under and pursuant to the Covenant Ordinance, as supplemented by the Supplemental Resolution, in the principal amount of not to exceed six million dollars (\$6,000,000.00). Subject to the satisfaction of the conditions set forth in Section 4.1 hereof, the Lender agrees, upon the terms and conditions and in reliance on the representations, warranties and agreements set forth herein and in the City Documents, to purchase the Series 2015A Bond in the principal amount of _____ [\$_____] on the Closing Date.

Section 2.2 Terms of Series 2015A Bond. The Series 2015A Bond shall bear interest, mature and otherwise have the terms set forth in the Supplemental Resolution and described below.

(a) *Lender Rate.* During the Rate Period:

(i) The Series 2015A Bond shall bear interest at the Lender Rate payable semi-annually on the first Business Day of each April and October, commencing on October 1, 2015.

(ii) “Lender Rate” means as of any date, a tax-exempt fixed per annum rate of interest equal to ____%; provided however, such rate shall be adjusted as provided in Section 2.3 below, but shall in no event exceed the Maximum Lawful Rate.

(b) *Principal Amortization Schedule.* Principal on the Series 2015A Bond shall be payable in installments pursuant to the following schedule:

<u>Amortization Date</u> <u>(October 1)</u>	<u>Principal Amount</u>
2021	\$ _____
2023*	_____
Total	\$ _____

*Final Maturity

(c) *Prepayment.* The City may prepay the Series 2015A Bond in whole or in part, at any time upon two Business Days' prior written notice to the Lender, which prepayments shall be applied against the principal installments due in inverse order of maturity, or proportionately at the discretion of the City. Such prepayment notice shall specify the prepayment amount. In the event the City elects to prepay the Series 2015A Bond, in whole or in part, the City shall, at the time of such prepayment, pay to the Lender the interest accrued to the date of prepayment, plus an additional fee or redemption premium equal to an amount calculated in accordance with Exhibit B hereto (such additional fee being the "Breakage Fee").

Section 2.3 Computation of Interest; Adjustment of Interest Rate.

(a) Interest Rate Calculation. All interest hereunder shall be calculated on the basis of a 360 day year consisting of twelve 30 day months.

(b) Taxable Differential. Upon the occurrence of a Determination of Taxability, the Series 2015A Bond shall bear interest at the Taxable Rate from the Taxable Date and this adjustment shall survive payment of the Series 2015A Bond until such time as the federal statute of limitations under which interest thereon could be declared taxable under the Code shall have expired. The City hereby agrees to pay to the Holder, on demand, the Taxable Differential. Taxable Differential is defined to be: (i) an additional amount equal to the positive difference between (A) the amount of interest actually paid at the Lender Rate on the Series 2015A Bond during the portion of the Taxable Period that has elapsed between the Taxable Date and the date the Series 2015A Bond actually began to accrue interest at the Taxable Rate and (B) the amount of interest that would have been paid on the Series 2015A Bond during such portion of the Taxable Period had the Series 2015A Bond actually borne interest at the Taxable Rate from the Taxable Date, plus (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Holder as a result of the occurrence of a Determination of Taxability. The Lender and City agree that the Taxable Differential, if any, owed by the City shall not be secured under the Covenant Ordinance as provided in Section 3.1 herein on a parity with the Series 2015A Bond and other Parity Debt, but shall instead be payable from Covenant Revenues after satisfaction of all obligations as to the Series 2015A Bond and other Parity Debt; *provided, however*, that if any other Parity Debt originally issued as tax-exempt indebtedness is being paid at a taxable equivalent rate by the City on a parity basis under the Covenant Ordinance, then, if the Holder is entitled hereunder to the Taxable Differential on the Series 2015A Bond, the Taxable Differential shall likewise be payable on a parity basis. Likewise, notwithstanding Section 3.1 hereof, the Lender and

City agree that going forward from the point in time when interest on the Series 2015A Bond is actually accruing at the Taxable Rate, the amount equal to the positive difference, if any, for any future interest period between (A) the interest actually paid by the City at the Taxable Rate on the Series 2015A Bond during such interest period and (B) the interest that would have been paid by the City during the same interest period had the Series 2015A Bond borne interest at the Lender Rate and a Determination of Taxability had not occurred, shall not be payable under the Covenant Ordinance on a parity with the Series 2015A Bond and other Parity Debt, but shall instead be payable (at the time such interest period payment is due) from Covenant Revenues after satisfaction of all obligations as to the Series 2015A Bond and other Parity Debt; *provided, however*, that if any other Parity Debt originally issued as tax-exempt indebtedness is being paid on a going forward basis at a taxable equivalent rate by the City on a parity basis under the Covenant Ordinance, then all interest payable on the Series 2015A Bond for each such interest period shall likewise be payable on parity basis, unless the Lender expressly agrees otherwise.

(c) Default Rate. To the extent permitted by law, upon the occurrence and during the continuance of an Event of Default under the Covenant Ordinance, the interest rate per annum payable on the Series 2015A Bond shall be the Default Rate.

(d) Adjustment Obligations. The obligations associated with an adjustment in interest rate under this Section 2.3 are payable solely from the Covenant Revenues subject to the terms and provisions hereof and of the Covenant Ordinance.

Section 2.4 Payment Obligations. (a) Subject to Section 3.1 hereof, the City hereby unconditionally, irrevocably and absolutely agrees to make prompt and full payment of all Obligations owed to the Holder under the City Documents, including without limitation the Series 2015A Bond, with interest thereon at the rate or rates provided in such City Documents and under such Obligations.

(b) Subject to Section 3.1 hereof, the City shall pay within forty-five (45) days after written demand:

(i) if an Event of Default shall have occurred and is continuing, all reasonable costs and expenses of the Lender in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Agreement, the other City Documents and such other documents which may be delivered in connection therewith;

(ii) upon an Event of Default, the fees and out-of-pocket expenses for counsel or other reasonably required consultants providing services to the Lender in accordance with this Agreement; and

(iii) any amounts advanced by or on behalf of the Lender to the extent required to cure any Event of Default or event of nonperformance by the City hereunder or any City Document, together with interest at the Default Rate;

provided, however, that the amounts, if any, in (i), (ii) and (iii) above shall be payable from the Fee and Expense Account under the Covenant Ordinance as administrative expenses with respect to the Series 2015A Bond.

Section 2.5 Acceleration of Payments. If at any time during this Agreement (i) the terms of any debt payable from or secured by Covenant Revenues (herein, "Covenant Revenues Debt") provides that the holder, liquidity provider or credit facility provider thereof may, upon the occurrence and continuance of an event of default thereunder, declare such Covenant Revenues Debt immediately due and payable and accelerate the payment of all principal and accrued interest associated with such Covenant Revenues Debt and (ii) any such holder, liquidity provider or credit facility provider of such Covenant Revenues Debt, through the Trustee or otherwise in accordance with and pursuant to the terms of such Covenant Revenues Debt, does declare such Covenant Revenues Debt to be immediately due and payable and accelerate the payment of all principal and accrued interest associated with such Covenant Revenues Debt, then the Lender shall have the right to declare immediately due and payable and accelerate the payment of all principal and accrued interest on the Series 2015A Bond upon an Event of Default occurring and continuing hereunder. If no Covenant Revenues Debt provides for acceleration, or if any such Covenant Revenues Debt that does provide for acceleration is subsequently amended to remove any such right or remedy or such Covenant Revenues Debt has been subsequently released, terminated or discharged, then the Lender shall at that point in time have no right or remedy of acceleration of the Series 2015A Bond.

Section 2.6 Form and Place of Payments. All payments made by or on behalf of the City to the Lender hereunder shall be made in lawful currency of the United States and in immediately available funds by wire to the Lender at the account below (or as otherwise directed by the Lender in writing to the City):

ABA: _____
Account No: _____
Account Name: _____

ARTICLE III SECURITY; OBLIGATIONS ABSOLUTE

Section 3.1 Security. The Series 2015A Bond is being issued as an Additional Bond under and pursuant to the Covenant Ordinance. The Series 2015A Bond, and other Bonds Outstanding under the Covenant Ordinance from time to time, are limited obligations of the City as provided in the Covenant Ordinance, and in particular Section 8.02 thereof. The Covenant Ordinance provides, among other things, that the Series 2015A Bond is secured only by the Covenant Revenues and other legally available revenues actually budgeted and appropriated and deposited into the funds and accounts created under and in the manner provided in the Covenant Ordinance. Until actually deposited into the funds and accounts created under the Covenant Ordinance, Covenant Revenues are not pledged for the payment of the Series 2015A Bond or any other obligation hereunder and the Holder of the Series 2015A Bond will not have a lien thereon. The City has covenanted to the extent permitted by and in accordance with applicable law and budgetary processes, to prepare, approve and appropriate in its annual budget for each Fiscal Year, by amendment if necessary, and deposit to the credit of the Revenue Account established pursuant to the Covenant Ordinance, Covenant Revenues in an amount which, together with other legally available revenues budgeted and appropriated for such purpose, are equal to the Debt Service Requirement with respect to all Bonds Outstanding under the Covenant Ordinance (excluding any other Non-Self Sufficient Debt) for the applicable Fiscal Year, plus an amount sufficient to satisfy all other payment obligations of the City under the Covenant

Ordinance for the applicable Fiscal Year, including, without limitation, the obligations of the City to fund and cure deficiencies in any subaccounts in the Reserve Account created under the Covenant Ordinance. Such covenant and agreement on the part of the City to budget and appropriate sufficient amounts of Covenant Revenues shall be cumulative, and shall continue until such Covenant Revenues in amounts, together with any other legally available revenues budgeted and appropriated for such purposes, sufficient to make all required payments under the Covenant Ordinance as and when due, including any delinquent payments, shall have been budgeted, appropriated and actually paid into the appropriate funds and accounts under the Covenant Ordinance.

The Supplemental Resolution authorizing the issuance of the Series 2015A Bond does not establish a separate subaccount in the Reserve Account for the Series 2015A Bond and the City will not be funding a debt service reserve with respect to the Series 2015A Bond. The Reserve Requirement with respect to the Series 2015A Bond is zero dollars and any amounts in the separate subaccounts in the Reserve Account with respect to other Bonds or obligations outstanding under the Covenant Ordinance shall not be available for the payment of the Series 2015A Bond.

The covenant described above does not create a lien, either legal or equitable, on any of the Covenant Revenues or other revenues of the City, nor shall it preclude the City from pledging in the future any of its Covenant Revenues or other revenues to other obligations, nor shall it give the Holder of the Series 2015A Bond a prior claim on the Covenant Revenues. The City may not expend monies not appropriated or in excess of its current budgeted revenues. No Holder of the Series 2015A Bond shall ever have the right to compel any exercise of the ad valorem taxing power of the City for any purpose, including, without limitation, to pay the principal of or interest or premium, if any, on the Series 2015A Bond or to make any other payment required hereunder or under the Covenant Ordinance or to maintain programs or other activities which generate Covenant Revenues. The Series 2015A Bond shall not constitute a charge, lien or encumbrance, either legal or equitable, on any property, assets or funds of the City.

The obligation of the City to budget, appropriate and make payments thereunder from its Covenant Revenues is subject to the availability of Covenant Revenues in the General Fund and the Utilities Services Tax Fund of the City after satisfying funding requirements for obligations having an express lien on or pledge of such revenues and after satisfying funding requirements for essential governmental services of the City. The City has not covenanted to maintain any programs or other activities which generate Covenant Revenues.

Because the Holder of the Series 2015A Bond is not entitled to a lien on the Covenant Revenues until such revenues are deposited into the funds and accounts created under the Covenant Ordinance in favor of the Holder of the Series 2015A Bond, the City is free to grant liens on the Covenant Revenues to secure other obligations. The exercise of remedies by the Holders of other Bonds or obligations under the Covenant Ordinance (whether or not so secured by a lien), including judgment creditors and including holders of other Non-Self Sufficient Debt (which was not issued as Bonds under the Covenant Ordinance), may result in the payment of debt service on some Bonds or other obligations under the Covenant Ordinance prior to the payment of debt service on Non-Self Sufficient Debt, including the Series 2015A Bond.

The City has covenanted and agreed in the Covenant Ordinance that for so long as any Bonds are Outstanding under the Covenant Ordinance, the City shall continue to deposit to the

credit of the City's General Fund and Utilities Services Tax Fund those revenue sources that were deposited to the credit of the General Fund and Utilities Services Tax Fund as provided in the City's Annual Budget for Fiscal Year 1991-92, excluding, however, any increases or expansions in rates or levies enacted after the effective date of the Covenant Ordinance with respect to such revenue sources that are designated by the City to be deposited other than in the General Fund or the Utilities Services Tax Fund.

The Series 2015A Bond and the indebtedness represented thereby shall not constitute a lien upon any property of the City or any part thereof. None of the officials of the City or any persons executing the Series 2015A Bond are liable personally on the Series 2015A Bond.

The Series 2015A Bond shall not be deemed to constitute a general or moral obligation or indebtedness of the City, or the State or any political subdivision thereof within the meaning of the Constitution and laws of the State. Neither the City nor the State nor any political subdivision thereof, shall be obligated to pay the principal of, redemption premium, if any, or the interest on the Series 2015A Bond except from the revenues and funds described in the Covenant Ordinance, and neither the faith and credit nor any taxing power of the City or the State or any political subdivision thereof, nor any ad valorem tax proceeds are pledged to the payment of the principal of or interest on the Series 2015A Bond or other costs incident thereto. The City has not covenanted, nor is the City obligated, to maintain or continue any programs or activities that generate Covenant Revenues.

Section 3.2 Covenant Ordinance a Contract. Pursuant to Section 5.01 of the Covenant Ordinance, the provisions thereof and of the Supplemental Resolution constitute a contract between the City and the Holder.

Section 3.3 Obligations Absolute, Unconditional and Irrevocable. The Obligations of the City under this Agreement shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms hereof, under all circumstances whatsoever, irrespective of (a) any amendment or waiver of or any consent to departure from this Agreement, the Series 2015A Bond or any of the other City Documents (except to the extent such amendment or waiver expressly relieves the City of an Obligation under this Agreement or the other City Documents) or (b) the existence of any claim, setoff, defense or other rights which the City or any other Person may have at any time against the Holder, or any other Person, in connection with this Agreement, the Series 2015A Bond or any of the other City Documents.

ARTICLE IV

CONDITIONS PRECEDENT TO PURCHASE OF SERIES 2015A BOND

Section 4.1 Documentary Requirements. The obligation of the Lender to purchase the Series 2015A Bond upon its issuance is subject to the conditions precedent that the Lender shall have received, on or before the Closing Date, the items listed below in this Section, each in form and substance as shall be mutually satisfactory to the Lender and the City. However, should the Lender purchase the Series 2015A Bond prior to its receipt and approval of any of the following items, such purchase shall be deemed to be a waiver of any such documentary requirement:

- (a) a duly executed original counterpart of this Agreement and each of the other City Documents;

(b) an opinion dated the Closing Date addressed to the Lender from counsel to the City, substantially to the effect that (i) all of the City Documents are valid, binding and enforceable in accordance with their respective terms, subject to and limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar statutes, rules, regulations or other laws, in each case relating to or affecting creditors' rights and remedies generally and the unavailability of, or limitation on the availability of, a particular right or remedy (whether in a proceeding in equity or at law) because of an equitable principle or a requirement as to commercial reasonableness, conscionability, or good faith, and (ii) the Series 2015A Bond and this Agreement have been duly authorized, executed and delivered;

(c) a Bond Counsel's Opinion, in form and substance acceptable to the Lender, to the effect that the Series 2015A Bond is a legal, valid and binding limited obligation of the City and interest payable on the Series 2015A Bond is excludable from the gross income of the holders thereof for purposes of federal income taxation under the Code;

(d) certificates of the City relating to: (i) the Covenant Ordinance and the Supplemental Resolution, (ii) the City's due authorization, execution and delivery of the City Documents and (iii) incumbency and specimen signatures of officers;

(e) a certificate, dated the Closing Date, signed by an authorized officer of the City, certifying that there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or, to the best knowledge of the City, threatened against or affecting the City wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, this Agreement or any of the other City Documents or (ii) the tax-exempt status of the interest on the Series 2015A Bond;

(f) a certificate signed by an authorized officer of the City, dated the Closing Date, to the effect that: (i) the representations and warranties contained in this Agreement are correct on and as of the Closing Date as though made on and as of such date, (ii) the City is not in violation of any of the covenants contained in this Agreement as of the Closing Date, (iii) no Default or Event of Default has occurred and is continuing or would result from the sale and delivery of the Series 2015A Bond, and (iv) there has been no event or circumstance since September 30, 2013, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect and

(g) such other certificates, approvals or consents as the Lender may reasonably request or as shall otherwise be required as a condition to the issuance of the Series 2015A Bond under the Covenant Ordinance.

The obligation of the City to deliver the Series 2015A Bond is subject to the conditions precedent that the Lender shall have delivered to the City, on or before the Closing Date, an investor letter in the form attached hereto as Exhibit A signed by an authorized representative of the Lender and with a disclosure statement containing the information required by Section 218.385(6), Florida Statutes, and a truth-in-bonding statement in accordance with Section 218.385, Florida Statutes.

ARTICLE V REPRESENTATIONS AND WARRANTIES

The City represents and warrants to the Lender as of the date of this Agreement as follows:

Section 5.1 Organization and Existence. The City is a municipal corporation organized and existing under the laws of the State of Florida with all requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement and the other City Documents and to issue, execute and deliver the Series 2015A Bond.

Section 5.2 Power and Authority. The execution, delivery and performance by the City of this Agreement and the issuance, execution and delivery of the Series 2015A Bond have been duly authorized by all necessary action of the City Council of the City, and all action on its part required for the lawful execution, delivery and performance thereof has been duly taken. The Covenant Ordinance and the Supplemental Resolution remain in full force and effect.

Section 5.3 Compliance with Laws and Contracts. Neither the execution and delivery by the City of this Agreement and the other City Documents, nor compliance with the provisions hereof or thereof, will violate any constitutional provision or any law, rule, regulation, order or judgment of any court or Governmental Authority binding on the City, or conflict with or constitute a default under or result in the creation or imposition of any security interest, charge or encumbrance on any of its assets pursuant to the provisions of any of the foregoing.

Section 5.4 Litigation. As of the date hereof, to the best of the City's knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by the Ninth Judicial Circuit in and for Orange County, Florida or the United States District Court for the Middle District of Florida for which the City has received actual notice, pending or threatened against the City affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2015A Bond or the use of Covenant Revenues pursuant to the terms and conditions of the Covenant Ordinance as security for the payment of the Series 2015A Bond, or the performance by the City of its obligations under the Covenant Ordinance, or contesting or affecting in any material respect as to the City the validity or enforceability of the Series 2015A Bond, the Covenant Ordinance, the Supplemental Resolution or this Agreement, or contesting the exclusion from gross income of interest on the Series 2015A Bond.

Section 5.5 No Defaults. No Default or Event of Default exists hereunder, under any other City Document, or under the Covenant Ordinance or the Supplemental Resolution.

Section 5.6 Consents. All consents, approvals, and authorizations of any court or Governmental Authority required to be obtained in connection with the execution, delivery, performance, validity or enforceability of this Agreement and the other City Documents (including the Series 2015A Bond) have been obtained and are in full force and effect.

Section 5.7 Investment Company. The City is not an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

Section 5.8 Financial Statements; No Material Adverse Change. To the knowledge of the City, the Financial Statements contain no material misstatement or omission and fairly present the financial position, assets and liabilities of the City for the period then ended. From and after September 30, 2013 through the Closing Date, except for the transactions contemplated under this Agreement and the City Documents and the obligations with respect to the City's Contract Tourist Development Tax Payments Revenue Bonds, Series 2014A issued on May 2, 2014, and the City's Capital Improvement Special Revenue Bonds, Series 2014B issued on November 20, 2014, (a) there has been no Material Adverse Change, nor to the knowledge of the City, is any Material Adverse Change threatened or reasonably likely to occur since September 30, 2013, and (b) the City has not incurred any obligation or liability that would be reasonably likely to have a Material Adverse Effect nor has the City entered into any material contracts not specifically contemplated by this Agreement or the City Documents or not in the ordinary course of business consistent with past practice of the City since September 30, 2013.

Section 5.9 Patriot Act Compliance. To the best of the City's knowledge, it is not in violation of any laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Patriot Act:

(a) The City is not any of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(v) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control ("OFAC") or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list.

(b) The City does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 5.10 No Affiliates. The City has no Affiliates.

ARTICLE VI AFFIRMATIVE COVENANTS

In addition to the General Covenants of the City set forth in Article XI of the Covenant Ordinance, until the termination of this Agreement in accordance with Section 9.17 hereof, the City, will:

Section 6.1 Compliance with Covenant Ordinance and Supplemental Resolution. At all times be in compliance with the terms and provisions of the Covenant Ordinance and the Supplemental Resolution.

Section 6.2 Financial and Business Information. Deliver to the Lender:

(a) As soon as available and in any event not later than 270 days after the end of each Fiscal Year, commencing with Fiscal Year ending September 30, 2014, a comprehensive annual financial report, certified by the City's independent public accountants and prepared in accordance with GAAP. Delivery shall be deemed satisfied by posting such comprehensive annual financial report on the City's website;

(b) As soon as available and in any event not later than 270 days after the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2014, a calculation in relation to the Covenant Revenues in a manner consistent with Section 11.02 of the Covenant Ordinance.

(c) Within 30 days of its final adoption, a copy of the final annual City budget approved by the City's Board. Delivery shall be deemed satisfied by posting such annual budget on the City's website; and

(d) Such other information (including, but not limited to, non-financial information) as the Lender may reasonably request from time to time.

Section 6.3 Notice of Certain Events. Promptly, and in any event within five Business Days after an officer of the City obtains knowledge thereof, give notice in writing to the Lender of:

- (a) Any Material Adverse Change;
- (b) Any Default or Event of Default hereunder; and
- (c) Any default or event of default under the Covenant Ordinance.

Section 6.4 Maintenance of Existence. Maintain its existence as a municipal corporation organized and existing under the laws of the State of Florida throughout the term of this Agreement.

Section 6.5 Books and Records. Keep books and records in accordance with Generally Accepted Accounting Principles which correctly reflect the revenues and expenditures of the City, including the Covenant Revenues.

Section 6.6 Further Assurances. Make, execute, endorse, acknowledge and deliver to the Lender any restatements or supplements hereto and any other instruments or documents, and

take any and all such other actions, as may from time to time be reasonably requested by the Lender to effect, confirm or further assure or protect and preserve the interests, rights and remedies of the Lender under this Agreement.

If the Lender determines to hold the Series 2015A Bond in book-entry form through a securities depository, the City will cooperate with the Lender to achieve eligibility for such book-entry system, all of which shall be at the Lender's expense (including the reasonable fees, costs and expenses of the City and its consultants and legal counsel).

ARTICLE VII NEGATIVE COVENANTS

Until the termination of this Agreement in accordance with Section 9.17 hereof, unless the Lender shall otherwise consent in writing, the City covenants and agrees that it will not:

Section 7.1 Restricted Investments. Use the proceeds of the Series 2015A Bond to purchase, own, invest in or otherwise acquire, directly or indirectly, any stock, evidence of indebtedness, or other obligation or security or any interest whatsoever in any other Person, or make or permit to exist any loans, advances or extensions of credit to, or any investment in cash or by delivery of property in, any Person (collectively, "Investments"), except for obligations described in the definition of "Investment Obligations" in the Covenant Ordinance.

Section 7.2 Use of Proceeds; Federal Reserve Regulations. Use or permit any part of the proceeds of the Series 2015A Bond to be used for the purpose, whether immediate, incidental or ultimate, to purchase or carry any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time) or to extend credit to others for the purpose of purchasing or carrying any margin stock.

Section 7.3 Tax Exemptions. Take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Series 2015A Bond from the gross income of the Holder thereof for purposes of Federal income taxation under the Code.

ARTICLE VIII EVENTS OF DEFAULT; REMEDIES

Section 8.1 Events of Default. Each of the events set forth in Section 13.01 of the Covenant Ordinance shall constitute an Event of Default hereunder.

Section 8.2 Remedies. Upon the occurrence and during the continuance of any Event of Default:

(a) General. The Lender or any other Holder of the Series 2015A Bond may exercise all remedies as are granted or hereafter granted as a permitted remedy under the Covenant Ordinance.

(b) Delay not a Waiver. No delay or failure to take action on the part of the Lender or any other Holder of the Series 2015A Bond in exercising any such remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any such remedy preclude the further exercise thereof or shall be construed to be a waiver of any Event of Default. No course of dealing between the City and the Lender or their agents

or employees shall be effective to change, modify or discharge any provision of this Agreement or any of the other City Documents to constitute a waiver of any Event of Default.

(c) Default Rate. Upon the occurrence and during the continuation of an Event of Default under the Covenant Ordinance, the Series 2015A Bond shall bear interest at the Default Rate.

ARTICLE IX MISCELLANEOUS

Section 9.1 Costs, Expenses and Taxes. The City agrees to pay on demand all reasonable out-of-pocket expenses of the Lender in connection with: (i) the delivery of the Series 2015A Bond (including the fees of legal counsel to the Lender in an amount not to exceed \$10,000, plus reasonable expenses), (ii) any amendments to the City Documents or any consents or waivers hereto that are requested by the City (with a fee for each such amendment, consent or waiver equal to \$2,500, plus the reasonable fees and expenses of legal counsel to the Lender in connection therewith), and (iii) the administration or enforcement of this Agreement, the Series 2015A Bond, and the City Documents, including reasonable fees and expenses of legal counsel to the Lender in connection therewith. In addition, the City shall pay any and all applicable stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement or any other City Documents and agrees to save the Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such applicable taxes and fees. It is the intention of the parties hereto that the City shall pay amounts referred to in this section directly and will do so from the Fee and Expense Account under the Covenant Ordinance as administrative expenses with respect to the Series 2015A Bond. In the event the Lender pays any of the amounts referred to in this section directly, the City will reimburse the Lender for such advances within 45 days of receipt of a proper invoice therefor.

Section 9.2 Waiver of Jury Trial. EACH OF THE CITY AND THE LENDER HEREBY KNOWINGLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 9.3 Notices. All demands, notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered, if given or delivered by hand, overnight delivery service, facsimile transmitter (with confirmed receipt) or email (with confirmed receipt), or five (5) days after being mailed, if mailed by first class, registered or certified mail, postage prepaid, to the street address, facsimile number or email address set forth below:

<u>Party</u>	<u>Address</u>
City:	City of Orlando 400 South Orange Avenue 4th Floor Orlando, Florida 32801 Attention: Chief Financial Officer

Telephone: (407) 246-2341
Fax: (407) 246-3712
Email: Rebecca.Sutton@CityofOrlando.net

with a copy to: City Attorney's Office
400 South Orange Avenue, 3rd Floor
Orlando, Florida 32801

Lender: _____

Attention: Name _____
Title _____
Telephone: (____) _____
Fax: (____) _____
Email: _____

The City or the Lender may, by notice given hereunder, designate any further or different addresses or telecopy numbers to which subsequent demands, notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

Section 9.4 Patriot Act Notice. The Lender hereby notifies the City that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Lender to identify the City in accordance with the Patriot Act. The City hereby agrees that it shall promptly provide such information upon request by the Lender.

Section 9.5 Controlling Law; Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Florida. Venue for any action or proceeding, in law or equity, shall be exclusively in Orange County, Florida and each party agrees to jurisdiction in the state and federal courts located in Orange County, Florida.

Section 9.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns.

Section 9.7 Assignment and Sale. Notwithstanding anything herein to the contrary, the Lender may pledge or grant a security interest in the right to payment or other benefit hereunder to any Federal Reserve Bank without the consent of any party, without notice to any party and without payment of any fees in accordance with applicable law. Further, the Lender may sell, transfer or reoffer the Series 2015A Bond, in minimum denominations of \$250,000 and larger denominations constituting an integral multiple of \$5,000, provided that any such sale, transfer or re-offering complies with federal securities laws and regulations, and with the requirement that any sale, transfer or re-offering only be to another Person if such Person executes and delivers to the City an investor letter of the same form, substance and effect as the Investor Letter attached hereto as Exhibit A and such Person constitutes: (i) a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, and (ii) a commercial bank organized under the laws of the United States, or any state

thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this Section, of not less than \$5,000,000,000.

Section 9.8 Participants. The Lender may, on any future date, grant participations in the Series 2015A Bond to one or more other “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933 as amended (the “1933 Act”) or “accredited investor” as defined in Rule 501 Regulation D promulgated under the 1933 Act. Each Participant, as approved in accordance with the forgoing sentence, shall be entitled to the benefits of this Agreement to the same extent as if they were a direct party hereto; provided, however, that the City may deal exclusively with the Lender for all purposes of this Agreement (including for payment of any and all Obligations) notwithstanding such participation, and provided further, that the City shall have no greater liability under this Agreement to the Lender and all Participants than it would have had to the Lender alone had no participations occurred. The Lender may disclose to any Participant or prospective participant any information or other data or material in the Lender’s possession relating to this Agreement, any of the other City Documents and the City, without the consent of or notice to the City.

Section 9.9 Series 2015A Bond Not Registered. THE SERIES 2015A BOND HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE COVENANT ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2015A BOND IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2015A BOND HAS BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2015A BOND. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Section 9.10 Satisfaction of Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to the Lender, the determination of such satisfaction shall be made by the Lender in its sole and exclusive judgment exercised in good faith.

Section 9.11 Usury. The Holder shall not be entitled to receive payment of interest hereunder in excess of the Maximum Lawful Rate. If the Holder receives less interest during any period than it would be entitled to receive hereunder but for the applicability of the Maximum Lawful Rate, during any subsequent period in which the rate of interest to which the Holder is otherwise entitled hereunder is less than the Maximum Lawful Rate, the Holder shall instead receive interest at a rate equal to the Maximum Lawful Rate until the Holder has received, in the aggregate, the amount of interest due the Holder hereunder.

Section 9.12 Indemnification. To the fullest extent permitted by law, the City agrees to indemnify the Lender and the directors, officers and employees of the Lender (each such Person being herein referred to as an “Indemnitee”) against, and hold each Indemnitee harmless from,

any claims asserted against, or damages and liabilities incurred by, any Indemnatee in connection with (a) the City's execution, delivery and performance of this Agreement, (b) the City's issuance of the Series 2015A Bond, and (c) the use of the proceeds of the Series 2015A Bond; provided, however, that such indemnification shall not, as to any Indemnatee, be available to the extent that such claims, damages or liabilities are determined by a court of competent jurisdiction to have resulted from the negligence or willful misconduct of any Indemnatee. In case any action or proceeding is brought against an Indemnatee by reason of any claim with respect to which such Indemnatee is entitled to indemnification hereunder, the City shall be entitled, at its expense, to participate in the defense thereof. No settlement of any claim against an Indemnatee shall be binding upon the City for purposes of this Section unless the City and its legal counsel were first consulted and the City agreed to the terms of such settlement. Nothing herein shall be construed as a waiver of any legal immunity or limitation of liability that the City may have under applicable law. The limited waiver of sovereign immunity as currently set forth in Section 768.28, Florida Statutes, shall be applicable to any claim or action brought pursuant to the foregoing indemnification provision. Nothing in this Agreement shall inure to the benefit of any third party to allow a claim otherwise barred by sovereign immunity or other operation of law. The obligations of the City pursuant to this Section are payable solely from Covenant Revenues and such obligations shall survive the payment of the Series 2015A Bond and the termination of this Agreement.

Section 9.13 Amendment. This Agreement can be amended or modified only by an instrument in writing signed by the parties.

Section 9.14 Severability. In the event that any provision of this Agreement shall be determined to be invalid or unenforceable by any court of competent jurisdiction, such determination shall not invalidate or render unenforceable any other provision hereof.

Section 9.15 Entire Agreement; Conflicts. THIS AGREEMENT, THE CITY DOCUMENTS AND THE CERTIFICATES AND INSTRUMENTS EXECUTED AND DELIVERED CONTEMPORANEOUSLY HERewith EMBODY THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN THE PARTIES HERETO AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS OF SUCH PERSONS, VERBAL OR WRITTEN, RELATING TO THE SUBJECT MATTER HEREOF. THIS AGREEMENT, THE CITY DOCUMENTS AND THE CERTIFICATES AND INSTRUMENTS EXECUTED IN CONNECTION HERewith REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. IN THE EVENT OF ANY CONFLICT BETWEEN THIS AGREEMENT AND THE COVENANT ORDINANCE OR THE SUPPLEMENTAL RESOLUTION, THE COVENANT ORDINANCE AND THE SUPPLEMENTAL RESOLUTION SHALL CONTROL.

Section 9.16 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, together shall constitute but one and the same instrument.

Section 9.17 Captions. The captions to the various sections and subsections of this Agreement have been inserted for convenience only and shall not limit or affect any of the terms hereof.

Section 9.18 Term. All representations and warranties of the City contained herein or made in connection herewith shall survive the making of and shall not be waived by the execution and delivery of this Agreement or the other City Documents or any investigation by the Lender. All covenants and agreements of the City contained herein shall continue in full force and effect from and after the date hereof until the Obligations have been fully discharged. This Agreement shall terminate on such date that all Obligations under this Agreement and amounts due and owing to the Holder of the Series 2015A Bond have been paid in full.

[SIGNATURE PAGES IMMEDIATELY FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Direct Purchase Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first above written.

CITY OF ORLANDO, FLORIDA

By: _____
Buddy Dyer
Mayor

[Execution by the Lender appears on the following page.]

[LENDER]

By: _____
Name
Title

[Lender Execution Page for Direct Purchase Agreement]

EXHIBIT A

FORM OF INVESTOR LETTER

March 31, 2015

City of Orlando
Orlando, Florida

Re: City of Orlando, Florida Capital Improvement Refunding Special Revenue Bond, Series 2015A

Ladies and Gentlemen:

The undersigned (the “Purchaser” or the “Investor”) hereby acknowledges receipt of the City of Orlando, Florida Capital Improvement Refunding Special Revenue Bond, Series 2015A in the principal amount of [\$_____] (the “Series 2015A Bond”). All capitalized terms used in this Investor Letter, and not otherwise defined herein, shall have the same meanings as set forth in the Direct Purchase Agreement by and between the City of Orlando, Florida and _____ dated March 31, 2015 (the “Direct Purchase Agreement”).

The undersigned acknowledges that the Series 2015A Bond is issued pursuant to the Covenant Ordinance, as supplemented by that certain Resolution of the City adopted by the City Council on March [23], 2015 (the “Supplemental Resolution”).

In connection with the purchase of the Series 2015A Bond by the Investor, the Investor hereby makes the following representations and acknowledgments upon which you may rely:

1. The Investor has the authority to purchase the Series 2015A Bond and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Series 2015A Bond.

2. The Investor is a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”) or an “accredited investor” as defined in Rule 501 Regulation D promulgated under the 1933 Act, and as such has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Series 2015A Bond. The Investor is able to bear the economic risks of such investment.

3. The Investor is not acting as a broker or other intermediary and is purchasing the Series 2015A Bond with its own capital and for its own account and not with a present view for immediate resale, transfer or re-offering; provided, however, that the Investor reserves the right to sell, transfer or re-offer the Series 2015A Bond in accordance with the terms and provisions of the Covenant Ordinance, the Supplemental Resolution and the Direct Purchase Agreement.

4. The Investor understands and acknowledges that the Series 2015A Bond is secured in the manner set forth in the Covenant Ordinance and the Supplemental Resolution and it has received and reviewed to its satisfaction a copy of the Covenant Ordinance and the Supplemental Resolution.

5. The Investor understands and acknowledges that (a) the Series 2015A Bond shall not constitute a general obligation of the City of Orlando, Florida, Orange County, Florida, the State of Florida, of any other local government or of any other political subdivision of the State, (b) neither the faith and credit nor taxing power of the City of Orlando, Florida, the State of Florida, nor of any other local government or any other political subdivision of the State are pledged to the payment of the principal of, premium (if any) or interest on the Series 2015A Bond and (c) neither the members of the City Council of the City nor any persons executing the Series 2015A Bond shall be liable personally therefor by reason of its issuance.

6. The Investor understands and acknowledges that the Series 2015A Bond is not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Series 2015A Bond (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) may not be readily marketable.

7. The Investor understands and acknowledges that (a) it has been supplied with or been given access to information to which a reasonable investor would attach significance in making investment decisions, (b) it has had the opportunity to ask questions and receive answers from the City and other knowledgeable individuals concerning the City, the Covenant Ordinance, the Series 2015A Bond and the security therefor, and (c) it has received from the City all information and materials that it requested and which it regards as necessary to evaluate all merits and risks of an investment in the Series 2015A Bond so that, as a reasonable investor, the Investor has been able to make its own decision to purchase the Series 2015A Bond. The Investor acknowledges that it has not relied upon any advice of the City or its agents in connection with the Investor’s purchase of the Series 2015A Bond.

8. The Investor understands and acknowledges that neither the City nor any of its agents have requested a CUSIP number or a credit rating for the Series 2015A Bond. A CUSIP number may, however, be requested and obtained by, and at the expense of, the Investor, in which case, the CUSIP number will be affixed to the Series 2015A Bond.

9. The Investor understands and acknowledges that the City has not prepared and is not obligated to prepare an official statement or other offering or disclosure document with respect to the Series 2015A Bond in connection with its sale or issuance and the City is not undertaking any continuing disclosure obligations with respect to the Series 2015A Bond in accordance with or pursuant to SEC Rule 15c2-12.

10. The Investor will not sell, transfer or reoffer the Series 2015A Bond, or sell participation interests in the Series 2015A Bond, except in the event that such sale, transfer or re-offering complies with federal securities laws and regulations, and with the terms and provisions of the Covenant Ordinance, the Supplemental Resolution and the Direct Purchase Agreement.

This letter is being provided by us based solely on our knowledge as of the date hereof and is solely for the benefit of the addressees and may not be relied on by, or published or communicated to, any other person without our express written consent.

[Investor]

By: _____
Name
Title

EXHIBIT B

Upon the occurrence of a Break Event, the Breakage Fee shall be calculated and paid as follows:

“Break Date” means any date that an optional redemption or prepayment is made.

“Break Event” means any optional redemption or prepayment.

“Calculation Agent” will be _____. If for any reason _____ is unable or unwilling to calculate the Breakage Fee, the Calculation Agent shall be an independent financial advisor or investment banker appointed by the City with the consent of the Lender.

“Day Count Fraction” is the anticipated basis on which interest on the Series 2015A Bond is to be computed. The Day Count Fraction utilizes a 360-day year and consisting of twelve 30-day months.

“Reference Rate” means the [Reference Rate%].

“Scheduled Due Date” means each date specified on the Amortization Schedule attached as Schedule I hereto.

“Schedule of Principal Amount” is the anticipated principal amount of the Series 2015A Bonds scheduled to be outstanding on the date the Series 2015A Bond is funded and on the Scheduled Due Date. The Schedule of Principal Amounts for the Scheduled Due Dates is specified on the Amortization Schedule attached as Schedule I hereto.

1. In connection with any Break Event, a Breakage Fee shall be paid by the City if the Breakage Fee is a positive number. No Breakage Fee shall be payable for a Break Event if the Breakage Fee for that Break Event is a negative number. Breakage Fees will be determined by the Calculation Agent, on the Business Day next preceding any Break Date and will be calculated for the Series 2015A Bonds as follows:

“*Breakage Fee*” for any Break Event is the difference of:

(i) the sum of the present values of a series of amounts computed for each Scheduled Due Date after the Break Date through the Maturity Date for the Series 2015A Bond, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Reference Rate, times (C) the Day Count Fraction for such Affected Principal Period,

minus

(ii) the sum of the present values of a series of amounts computed for each Scheduled Due Date after the Break Date through the Maturity Date for the Series 2015A Bond, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Break Rate, times (C) the Day Count Fraction for such Affected Principal Period,

where:

- (1) the Calculation Agent computes such present values by discounting each such series of amounts described in clause (i) and (ii) above from the Scheduled Due Date to the Break Date using a series of discount factors corresponding to the Scheduled Due Date as determined by the Calculation Agent from the swap yield curve that the Calculation Agent would use as of the Break Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;
- (2) the “Affected Principal Amount” for an Affected Principal Period is the principal amount of the Series 2015A Bonds reflected in the Schedule of Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Break Date by the reference to such Schedule of Principal Amounts before giving effect to any Break Event on that Break Date, and for any Break Event, multiplying each such principal amount times the Prepayment Fraction;
- (3) “Affected Principal Period” is each period from and including a Scheduled Due Date to but not excluding the next succeeding Scheduled Due Date; provided, however, if the Break Date is not a Scheduled Due Date, the initial Affected Principal Period shall be the period from and including the Break Date to but excluding the next succeeding Scheduled Due Date and the Affected Principal Period for such initial Affected Principal Period shall be the amount stated in the Schedule of Principal Amounts outstanding for the Scheduled Due Date next preceding the Break Date;
- (4) “Prepayment Fraction” means, for each Scheduled Due Date, a fraction the numerator of which is the amount of the credit to be applied pursuant to the applicable provisions of the Series 2015A Bond and this Agreement to reduce the amount of the prepayment otherwise due on such date and the denominator of which is the amount of the payment otherwise due on such date (without regard to such credit); and
- (5) “Break Rate” means, for any Break Date, and with respect to each Series 2015A Bond, the fixed rate the Calculation Agent determines is representative of what swap dealers would be willing to pay to the Calculation Agent (or, if required to be cleared under the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) as fixed rate payors on a semi-annually basis in return for receiving one-month LIBOR-based payments monthly under interest rate swap transactions that would commence on such Break Date, and mature on, or as close as commercially practicable to, the Maturity Date for such Series 2015A Bond;

2. The Calculation Agent shall determine the Breakage Fee hereunder in good faith using such methodology as the Calculation Agent deems appropriate under the circumstance, and the Calculation Agent’s determination shall be conclusive and binding in the absence of manifest error.

SCHEDULE I

AMORTIZATION SCHEDULE

<u>Scheduled Due Date</u>	<u>Schedule of Principal Amounts</u>
October 1, 2021	[\$_____]
October 1, 2023	[\$_____]