

DIRECT PURCHASE AGREEMENT

between

CITY OF ORLANDO, FLORIDA

and

BANK OF AMERICA, N.A.

Dated March ____, 2016

Relating to

\$ _____

City of Orlando, Florida

Capital Improvement Refunding Special Revenue Bond, Series 2016A

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DIRECT PURCHASE AGREEMENT

THIS DIRECT PURCHASE AGREEMENT, dated March ____, 2016, 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 Bank of America, N.A., a national banking association (the "Lender").

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, 2016 maturity of the 2007A Bonds, which is currently outstanding in the aggregate principal amount of \$3,530,000, 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, 2016 maturity of the 2010A Bonds, which is currently outstanding in the aggregate principal amount of \$4,160,000, 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 2016A (the "Series 2016A 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, 2016 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 2016A Bond; and

WHEREAS, the Lender has agreed to purchase the Series 2016A 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 2016A 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 Lender or the City, as the case may be.

“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.

“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.

“Business Day” means a day other than a Saturday, Sunday or day on which the Notice Office of the Lender is lawfully closed.

“City Documents” means this Agreement, the Series 2016A 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 2016A 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 2016A Bond.

“Closing Date” means the date of execution and delivery of this Agreement, being March ____, 2016.

“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 sum of the Lender Rate plus four percent (4.00%) per annum.

“Determination of Taxability” means (i) a final judgment by a Federal court of competent jurisdiction or a final official action of the Internal Revenue Service determining that any interest portion payable with respect to the Series 2016A Bond is includable in the gross income of the Holder thereof for federal income tax purposes 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 Federal court judgment or Internal Revenue Service official action will be considered final for this purpose, unless the City has received actual 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 from which no further right of appeal exists or (ii) an agreement between the City and any Holder of the Series 2016A Bond that a Determination of Taxability has occurred.

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

“Financial Statements” means the audited financial statements of the City for the Fiscal Year Ended September 30, 2014.

“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 2016A 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 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 2016A Bond may bear under the laws of the State of Florida.

“Notice Office of the Lender” means the location designated as such in or pursuant to Section 9.3 hereof.

“Obligations” means all amounts payable by the City to the Lender under this Agreement and the Series 2016A 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 2016A Bond.

“Participant” means any person to whom the Lender has participated any of its rights and interests under this Agreement and the Series 2016A Bond or to whom the Lender has sold a participation in rights and interests under this Agreement and the Series 2016A Bond.

“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.

“Prepayment Fee” has the meaning assigned thereto in section 2.2(c) herein.

“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 14, 2016, 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 2016A Bond is first includable in gross income of any Holder of the Series 2016A 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 2016A Bond is includable in the gross income of the Holder, beginning on the Taxable Date.

“Taxable Rate” means the rate of interest per annum equal to _____ percent (____%). [TO BE FILLED IN UPON RATE LOCK OR PRICING BASED ON ACTUAL LENDER RATE MULTIPLIED BY 1.54]

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 2016A Bond is at any time Outstanding as multiple registered bonds, then all references herein to the “Series 2016A Bond” shall be deemed to refer to the “Series 2016A Bonds” and all references herein to “Holder” shall be deemed to refer to the “Holders” of the Series 2016A 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 2016A BOND; PAYMENT OBLIGATION

Section 2.1 Purchase of Series 2016A Bond. A Bond of the City designated as the “City of Orlando, Florida Capital Improvement Refunding Special Revenue Bond, Series 2016A” 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 seven million two hundred thousand dollars (\$7,200,000.00). 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 2016A Bond in the principal amount of _____ dollars (\$____,_____,000.00) on the Closing Date.

Section 2.2 Terms of Series 2016A Bond. The Series 2016A 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 2016A Bond shall bear interest at the Lender Rate payable semi-annually on the first Business Day of each April and October (the “Interest Payment Dates”), commencing on October 1, 2016.

(ii) “Lender Rate” means as of any date, a tax-exempt fixed per annum rate of interest equal to [[1.974%]]; 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 2016A Bond shall be payable in installments pursuant to the following schedule:

<u>Amortization Date (October 1)</u>	<u>Principal Amount</u>
2022	\$ __, __, 000
2023*	__, __, 000
Total	\$ __, __, 000

*Final Maturity

(c) *Prepayment.* The City may prepay the Series 2016A 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 2016A Bond, in whole or in part, the City shall, at the time of such prepayment, pay to the Lender the interest accrued on such principal portion to the date of prepayment, plus an addition fee or redemption premium equal to an amount calculated in accordance with Exhibit B hereto (such additional fee being the “Prepayment Fee”).

(d) *Final Maturity.* On October 1, 2023 (the “Final Maturity”), all outstanding principal of and accrued interest on the Series 2016A Bond shall be due and payable.

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 2016A Bond shall bear interest at the Taxable Rate from the Taxable Date. The City hereby agrees to pay to the Holder on the next scheduled Interest Payment Date (the “Next IPD”) or, if the Series 2016A Bond has matured, within thirty (30) days after receipt of written demand by the Lender, the Taxable Differential. Taxable Differential is defined to be: (i) an amount equal to the positive difference between (A) the amount of interest accrued on the Series 2016A Bond (at the Taxable Rate) after the Taxable Date and to the Next IPD (or, if the Series 2016A Bond has

matured, to the Final Maturity) minus (B) the amount of interest actually paid on the Series 2016A Bond after the Taxable Date and before the Next IPD (or, if the Series 2016A Bond has matured, to the Final Maturity), 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. After the Next IPD and for so long as the Taxable Rate remains in effect, the Series 2016A Bond shall continue to bear interest at the Taxable Rate payable on the Interest Payment Dates. The Taxable Differential, if any, owed by the City shall be secured under the Covenant Ordinance as provided in Section 3.1 herein on a parity with the Series 2016A Bond and other Parity Debt.

(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 2016A 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 2016A 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 reasonable fees and out-of-pocket expenses for counsel or other 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 2016A Bond.

Section 2.5 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):

Bank of America
New York, NY
ABA: 026009593
Beneficiary: Transaction Processing
Account No: 1366211001000
FCT: Orlando, FL City of
Contact: Amy Roberts – CSA
Phone: (239) 598-8807

ARTICLE III SECURITY; OBLIGATIONS ABSOLUTE

Section 3.1 Security. The Series 2016A Bond is being issued as an Additional Bond under and pursuant to the Covenant Ordinance. The Series 2016A 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 2016A 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 2016A Bond or any other obligation hereunder and the Holder of the Series 2016A 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 2016A Bond does not establish a separate subaccount in the Reserve Account for the Series 2016A Bond and the City will not be funding a debt service reserve with respect to the Series 2016A Bond. The Reserve Requirement with respect to the Series 2016A 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 2016A 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 2016A 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 2016A 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 2016A 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 2016A 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 2016A 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 2016A 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 2016A 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 2016A 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 2016A Bond are liable personally on the Series 2016A Bond.

The Series 2016A 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 2016A 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 2016A 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 2016A 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 2016A Bond or any of the other City Documents.

ARTICLE IV CONDITIONS PRECEDENT TO PURCHASE OF SERIES 2016A BOND

Section 4.1 Documentary Requirements. The obligation of the Lender to purchase the Series 2016A 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 2016A 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 2016A 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 2016A Bond is a legal, valid and binding limited obligation of the City and interest payable on the Series 2016A 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 2016A 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 2016A Bond, and (iv) there has been no event or circumstance since September 30, 2014, 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 2016A Bond under the Covenant Ordinance.

The obligation of the City to deliver the Series 2016A 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 2016A 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 2016A 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 2016A 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 2016A 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 2016A Bond, the Covenant Ordinance, the Supplemental Resolution or this Agreement, or contesting the exclusion from gross income of interest on the Series 2016A 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 2016A 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, 2014 through the Closing Date, except for the transactions contemplated under this Agreement, (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, 2014, 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, 2014.

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, 2015, 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, 2015, 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 2016A 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 2016A 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 2016A 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 2016A 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 2016A 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 2016A 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 2016A 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 2016A Bond (including the fees of legal counsel to the Lender in the amount of \$5,500, plus reasonable expenses) and (ii) the administration or enforcement of this Agreement, the Series 2016A 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 2016A 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, or 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
with a copy to:	City Attorney's Office 400 South Orange Avenue, 3rd Floor Orlando, Florida 32801
Notice Office of the Lender:	Bank of America, N.A. Doc Retention Center NC1-001-05-13 One Independent Center 101 North Tryon St. Charlotte, NC 28255-0001
with a copy to:	Bank of America, N.A. 100 West Garden Street Pensacola, Florida 32501 Attention: Joe Miller

The City or the Lender may, by notice given hereunder, designate any further or different addresses 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 (so long as a court of competent jurisdiction in Orange County, Florida accepts venue) and each party agrees to jurisdiction in the state and federal courts located in Orange County, Florida or, if there is no federal court located in Orange County, Florida, the federal court having jurisdiction over matters arising 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 2016A 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: (a) is an Affiliate of the Lender; (b) is a trust or other custodial arrangement established by the Lender or one of its Affiliates, the owners of any beneficial interest in which are limited to: (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”) or (ii) an “accredited investor” as defined in Rule 501 Regulation D promulgated under the 1933 Act; or (c) constitutes (i) a qualified institutional buyer or (ii) an accredited investor, and in either case 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.

Section 9.8 Participants. The Lender may, on any future date, grant participations in the Series 2016A Bond to one or more other “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act or “accredited investor” as defined in Rule 501 Regulation D promulgated under the 1933 Act. Each Participant 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 2016A Bond Not Registered. THE SERIES 2016A 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 2016A BOND IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2016A 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 2016A 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 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 Indemnitee in connection with (a) the City’s execution, delivery and performance of this Agreement, (b) the City’s issuance of the Series 2016A Bond, and (c) the use of the proceeds of the Series 2016A Bond; provided, however, that such indemnification shall not, as to any Indemnitee, 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 Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee 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 Indemnitee 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 and is not confined to tort liability. 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 2016A 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 2016A 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.]

BANK OF AMERICA, N.A.

By: _____
Joe Miller
Senior Vice President

[Lender Execution Page for Direct Purchase Agreement]

EXHIBIT A

FORM OF INVESTOR LETTER

March __, 2016

City of Orlando
Orlando, Florida

Re: City of Orlando, Florida Capital Improvement Refunding Special Revenue
Bond, Series 2016A

Ladies and Gentlemen:

This letter is to provide you with certain representations, acknowledgments and agreements with respect to our purchase of all of the above-referenced bonds (the “*Bonds*”), dated their date of issuance. Bank of America, N.A. (the “*Purchaser*,” the “*undersigned*,” “*us*” or “*we*,” as applicable) is purchasing the Bonds pursuant to that certain Direct Purchase Agreement dated as of the date hereof (the “*Direct Purchase Agreement*”), among the City of Orlando, Florida (the “*Issuer*”) and the Purchaser. The undersigned acknowledges that the Bonds were issued and are payable as a limited obligation of the Issuer pursuant to the terms of its Covenant Ordinance, as supplemented by that certain Resolution of the Issuer adopted by the City Council on March 14, 2016 (the “*Supplemental Resolution*”) All capitalized terms used in this letter, and not otherwise defined herein, shall have the same meanings as set forth in the Direct Purchase Agreement. We hereby represent, acknowledge and warrant to you and agree with you as follows:

1. We have the authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by us in connection with the purchase of the Bonds.

2. We understand that the Bonds have not been registered pursuant to the Securities Act of 1933, as amended (the “*1933 Act*”), in reliance upon certain exemptions set forth therein, nor have the Bonds been registered pursuant to the securities laws of any state, and that such registration is not legally required as of the date hereof. We acknowledge that the Bonds (i) are not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (ii) will not be listed on any securities exchange, (iii) will not carry a rating from any rating service, and (iv) may not be readily marketable. We further acknowledge that the Issuer has not requested a CUSIP number(s) for the Bonds.

3. We have not offered, offered to sell, offered for sale or sold any of the Bonds by means of any form of general solicitation or general advertising, and we are not an underwriter of the Bonds within the meaning of Section 2(11) of the 1933 Act.

4. We have 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 purchase of the Bonds.

5. Purchaser is either a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act, or an “accredited investor” as defined in Rule 501 of Regulation D under the 1933 Act and is able to bear the economic risks of such investment.

6. The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement or disclosure document is being provided with respect to the Bonds and the Issuer is not undertaking any continuing disclosure obligation with respect to the Bonds in accordance with Rule 15c2-12. The Purchaser has made its own inquiry and analysis with respect to the Issuer, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds.

7. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information and including the Covenant Ordinance and Supplemental Resolution (which it has received and reviewed to its satisfaction), regarding the Issuer, the Bonds and the security, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bonds and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Bonds. The Purchaser represents that it has not relied upon any advice of the Issuer or its agents in connection with its purchase of the Bonds.

8. The Bonds are being acquired by the Purchaser with its own capital and for investment for its own account and not with a present view toward resale or distribution; *provided, however*, that the Purchaser reserves the right to sell, transfer or redistribute the Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be in accordance with the Direct Purchase Agreement.

Very truly yours,

BANK OF AMERICA, N.A.

By: _____
Joe Miller
Senior Vice President

:

EXHIBIT B

PREPAYMENT FEE CALCULATION

In connection with any prepayment of principal on the Series 2016A Bonds, a Prepayment Fee shall be paid by the City if the Prepayment Fee is a positive number. The Prepayment Fee will be determined by the Calculation Agent on the Business Day immediately preceding the Prepayment Date and will be equal to the present value (discounted by the Reinvestment Rate) of the difference, if positive, between:

- (a) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to ____ percent (____%) plus a spread of 25 basis points, as if the prepayment had not been made,
less
- (b) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to the Reinvestment Rate, as if the prepayment had not been made.

The following definitions will apply to the calculation of the Prepayment Fee:

- (i) “Calculation Agent” will be the Lender. If for any reason the Lender is unable or unwilling to calculate the Prepayment Fee, the Calculation Agent shall be an independent financial advisor or investment banker appointed by the City with the written consent of the Lender. The Calculation Agent shall determine the Prepayment Fee hereunder in good faith using such methodology as the Calculation Agent deems appropriate under the circumstances, and the Calculation Agent’s determination shall be conclusive and binding in the absence of manifest error.
- (ii) “Prepayment Date” means any date that an optional redemption or prepayment is made with respect to the Series 2016A Bonds.
- (iii) “Reinvestment Rate” means with respect to each prepaid installment of principal, the Swap Rate on the date the Prepayment Fee is calculated by the Calculation Agent for a term corresponding to the period of time remaining until such principal installment was scheduled to be paid, interpolated on a linear basis, if necessary.
- (iv) “Swap Rate” means, as of any date, the offered U.S. Dollar interest rate swap rate that a fixed rate receiver would receive in return for paying a floating rate equal to the three month LIBOR determined by the Calculation Agent on such date by reference to the Bloomberg service or such other similar data source then used by such Calculation Agent for determining such rate.