

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING A LINE OF CREDIT AGREEMENT BETWEEN THE CITY OF HOLLYWOOD, FLORIDA, AND CITY NATIONAL BANK, FOR A TERM OF ONE (1) YEAR TO PROVIDE A LINE OF CREDIT FACILITY TO ASSIST THE CITY IN MEETING THE COSTS OF RECOVERY IN THE EVENT OF A DISASTER.

WHEREAS, the City Commission has determined that it is appropriate and necessary as part of the City's emergency preparedness planning to establish a line of credit to provide interim financing, if needed, to meet post-disaster recovery costs in the event of a declared state of emergency; and

WHEREAS, on September 1, 2010, the City Commission approved Resolution R-2010-241 to enter into a Line of Credit Agreement with Wells Fargo Bank, N.A. and executed additional one year extensions in 2011, 2012, 2013, 2014, 2015 and again in 2016 with the last Agreement expiring on May 31, 2017; and

WHEREAS, City National Bank has submitted a Term Sheet to the City dated May 10, 2017, to provide such line of credit, which is attached hereto as Exhibit "B" (the "Term Sheet"), the acceptance of which is in the best interest of the City; and

WHEREAS, the City desires to approve the form of the line of credit agreement pursuant to which such borrowing will be accomplished;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: ADOPTION OF REPRESENTATIONS. The foregoing "Whereas" paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2: DEFINITIONS. As used herein, unless the context otherwise requires:

"Act" means, as applicable, Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Charter of the City of Hollywood, Florida, and other applicable provisions of law.

“Bank” means City National Bank, the initial purchaser of the Note, and its successors and assigns.

“City” means the City of Hollywood, a Florida municipal corporation, or its successor.

“City Clerk” means the City Clerk or any Deputy City Clerk.

“Code” means the Internal Revenue Code of 1986, as amended, including the applicable regulations of the Department of the Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

“Costs of the Project” means with respect to the Project, all items of cost authorized by the Act, including the costs of issuance of the Note.

“Dated Date” means the date of issuance of the Note and of the initial draw thereon.

“FEMA” means the Federal Emergency Management Agency.

“Federal Proceeds” means all amounts received by the City from FEMA or any other federal agency for Costs of the Project.

“Governing Body” means the City Commission of the City, or its successor in function.

“Legally Available Non-Ad Valorem Revenues” means all revenues of the City derived from any source whatsoever, other than ad valorem taxation on real and personal property, which are legally available to make the payments of principal and interest on the Note, but only after provision has been made by the City for payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City, or which are legally mandated by applicable law.

“Line of Credit Agreement” means that certain Line of Credit Agreement between the Bank and the City, the form of which is attached as Exhibit “A” hereto.

“Maturity Date” means that date which is two (2) years after the Dated Date.

“Mayor” means the Mayor of the City or, in the Mayor’s absence, the Vice-Mayor, or such other persons as may be duly authorized to act on the Mayor’s behalf.

“Noteholder” or “Holder” means the registered owner (or its authorized representative) of the Note.

“Note” means the City’s Revenue Anticipation Note, authorized to be issued by the City in the aggregate principal amount not to exceed \$10,000,000.00, the form of which is attached as Exhibit “A” to the Line of Credit Agreement.

“Project” means expenditures for extraordinary, nonrecurring items the City desires or needs to undertake subsequent to and as a result of Broward County, the Governor of Florida or the President of the United States declaring a state of emergency in the geographic area including the City as a result of a natural disaster, and costs related thereto.

“Resolution” means this Resolution, as the same may from time to time be amended, modified or supplemented.

“State” means the State of Florida.

“State Proceeds” means all amounts received by the City from the State or any agency or division thereof for Costs of the Project.

Section 3: AUTHORITY FOR RESOLUTION. This Resolution is enacted pursuant to the provisions of the Act. The City has ascertained and hereby determined that enactment of this Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the City in accordance with the Act and to carry out and effectuate the plan and purpose of the Act, and that the powers of the City herein exercised are in each case exercised in accordance with the provisions of the Act and in furtherance of the purposes of the City.

Section 4: RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of the Note by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the City with the Holder, and shall be deemed to be and shall constitute a contract between the City and the Holder from time to time of the Note. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the benefit, protection and security of the Holder of the Note in accordance with the terms hereof.

Section 5: LINE OF CREDIT AGREEMENT. The City hereby approves the form and content of the Line of Credit Agreement. The City acknowledges that the Line of Credit Agreement sets forth the terms and conditions under which the City may issue the Note and make draws on the Note, but that it does not irrevocably obligate the Bank to fund such draws. The Mayor is hereby authorized to execute and deliver the Line of Credit Agreement on behalf of the City, and the City Clerk is authorized to place the City's seal thereon and attest thereto, in substantially the form presented at this meeting with such changes, modifications, deletions and insertions as the City Manager may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the City. Extensions of the Line of Credit Agreement are permitted as set forth therein.

Section 6: AUTHORITY FOR ISSUANCE OF NOTE. Subject and pursuant to the provisions hereof and of the Line of Credit Agreement, a note to be known as "City of Hollywood, Florida, Promissory Note" is hereby authorized to be issued from time to time in an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000.00) for the purpose of financing the Costs of the Project.

Section 7: DESCRIPTION OF NOTE. The Note shall be issued in one (1) typewritten certificate, shall be dated the Dated Date thereof and shall mature not later than the Maturity Date. Draws will be permitted to be made on the Note from time to time in accordance with the Line of Credit Agreement until May 31, 2018, as may be extended, up to the maximum principal amount of \$10,000,000.00. The Note shall bear interest, based on the principal amount outstanding from time to time, at the rate set forth in the Line of Credit Agreement, with such rate to be adjusted as set forth therein. The accrued interest on the Note shall be paid on the dates set forth in the Line of Credit Agreement, with the outstanding principal of and unpaid and accrued interest on the Note payable on the Maturity Date or earlier redemption. Details of the Note shall be as provided in the form of Note attached as Exhibit "A" to the Line of Credit Agreement.

Section 8: NOTE NOT TO BE GENERAL INDEBTEDNESS OF THE CITY. The Note shall not be or constitute a general obligation or indebtedness of the City within the meaning of the Constitution of Florida, but shall be payable from and secured solely by the City's pledge of the Federal Proceeds and the State Proceeds and by the covenant of the City to budget and appropriate Legally Available Non-Ad Valorem Revenues, in the manner and to the extent herein, in the Line of Credit Agreement and in the Note provided. No Holder shall ever have the right to compel the exercise of the ad valorem taxing power of the City or taxation in any form on any real or personal property to pay the Note or the interest thereon, nor shall any Holder be entitled to payment of such principal and interest from any funds of the City other than the Federal Proceeds, the State Proceeds or Legally Available Non-Ad Valorem Revenues, all in the manner and to the extent herein, in the Line of Credit Agreement and in the Note

provided. The Holders shall have no lien upon any real or tangible personal property of the City.

Section 9: AWARD OF NOTE BY NEGOTIATED SALE. Because of the nature of the Note, the maturity of the Note and the prevailing market conditions, the negotiated sale of the Note to the Bank in substantial accordance with the Term Sheet is hereby found to be in the best interests of the City; provided, however, that the provisions of this Resolution and of the Line of Credit Agreement shall control to the extent of any conflict with the Term Sheet.

Section 10: MODIFICATION, AMENDMENT OR SUPPLEMENT. This Resolution may be modified, amended or supplemented by the City from time to time prior to the City entering into the Line of Credit Agreement. Thereafter, no modification, amendment or supplement of this Resolution, or of any resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Holder.

Section 11: BANK QUALIFIED ISSUE. The City hereby designates the Note to be a “qualified tax-exempt obligation” within the meaning of Section 265(b) of the Code unless, as to the calendar year in which the Note is issued, the City cannot reasonably anticipate on the date of issuance of the Note that the amount of tax-exempt obligations (other than obligations not taken into account for purposes of determining the City’s status as a “qualified small issuer”) will not exceed the maximum amount permitted under Section 265(b) of the Code for such calendar year.

Section 12: GENERAL AUTHORITY. The Mayor and the other members of the Governing Body and the officers, attorneys and other agents or employees of the City are hereby authorized to do all acts and things required of them by this Resolution, or desirable or consistent with the requirements hereof, for the full punctual and complete performance of all the terms, covenants and agreements contained herein, in the Line of Credit Agreement or in the Note, including the execution of any documents or instruments relating to payment of the Note, and each member, employee, attorney and officer of the City is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

Section 13: SAVINGS CLAUSE. If section, paragraph, sentence, clause or phrase of this Resolution shall, for any reason, be held to be invalid or unenforceable, such decision shall not affect the validity of the remaining sections, paragraphs, sentences, clauses or phrase of this Resolution.

Section 14: REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions or parts thereof in conflict with this Resolution are repealed to the extent of such conflict.

A RESOLUTION AUTHORIZING A LINE OF CREDIT AGREEMENT BETWEEN THE CITY OF HOLLYWOOD, FLORIDA, AND CITY NATIONAL BANK, FOR A TERM OF ONE (1) YEAR TO PROVIDE A LINE OF CREDIT FACILITY TO ASSIST THE CITY IN MEETING THE COSTS OF RECOVERY IN THE EVENT OF A DISASTER.

Section 15: EFFECTIVE DATE. That this resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this _____ day of _____, 2017.

JOSH LEVY, MAYOR

ATTEST:

PATRICIA A. CERNY, MMC, CITY CLERK

APPROVED AS TO FORM AND LEGALITY
For the use and reliance of the
City of Hollywood, Florida, only.

ALAN FALLIK, INTERIM CITY ATTORNEY