RESOLUTION NO. R-2017-156

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 7 day of June, 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

R-2017-156

LINE OF CREDIT AGREEMENT

This Line of Credit Agreement is entered into this 22 day of June, 2017, by and between the City of Hollywood, a Florida municipal corporation (the "City"), and City National Bank of Florida (the "Bank"), and their respective successors and assigns.

WHEREAS, on June 7, 2017, the City adopted Resolution No. R-2017-156, authorizing the negotiation and execution of an agreement between the City and the Bank for the purpose of establishing a line of credit in an amount not to exceed $10,000,000 to meet cost recovery following a disaster and approving the form of such agreement (the "Resolution"); and

WHEREAS, the parties desire to set forth herein the terms and conditions pursuant to which the City will be permitted to make said borrowings.

NOW, THEREFORE, in consideration for the mutual covenants herein expressed, the parties hereto do hereunto agree as follows:

SECTION 1. 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.

"Agreement" means this Line of Credit Agreement between the Bank and the City, as the same may be amended, modified or supplemented from time to time.

"Annual Budget" means the annual budget prepared by the City for each Fiscal Year in accordance with Section 10 below and in accordance with the laws of the State of Florida.

"Bank" means City National Bank of Florida, the initial purchaser of the Note, and its successors and assigns.

"Business Day" means any day which is not a Saturday, Sunday or day on which banking institutions in Broward County, Florida are authorized to be closed.

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

"City Clerk" means the City Clerk or any Deputy City Clerk.

"City Manager" means the City Manager or other chief executive officer of the City.

"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.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the City pursuant to general law.

"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.

"LIBOR" means the London Interbank Offered Rate as posted by the British Bankers Association as shown on the Telerate System, page 3750, for U.S. dollar deposits of a stated maturity.

"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, the form of which is attached as Exhibit "A" hereto.

"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 state of emergency in the geographic area including the City as a result of a natural disaster, and costs related thereto.

"Resolution" means Resolution No. R-2017- 156, adopted by the Governing Body on June 7, 2017, as amended and 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 2. ISSUANCE OF NOTE AND USE OF PROCEEDS. Subject and pursuant to the provisions of the Resolution, a note to be known as "City of Hollywood Revenue Anticipation Note" is hereby authorized to be issued not later than May 31, 2018, in an aggregate principal amount not to exceed Ten Million Dollars ($10,000,000.00) for the purpose of financing Costs of the Project. The City agrees not to use the proceeds of the Note for any other purpose without the written approval of the Bank. The Bank agrees to make advances on the Note from time to time, but only upon compliance by the City with the provisions hereof. The City will not use the proceeds of the Note for leveraged or margined investments or on speculative derivative transactions.

SECTION 3. DESCRIPTION OF NOTE. The Note shall be issued in one (1) typewritten certificate, shall be dated the Dated Date thereof and shall mature on the Maturity Date. Draws will be permitted to be made on the Note from time to time while the Note is outstanding, up to an aggregate maximum principal amount of $10,000,000, in accordance with Section 12 hereof. The Note shall bear interest at either a "bank qualified" variable rate equal to 70% of one month LIBOR plus 100 basis points (1.00%) or a taxable variable rate equal to one month LIBOR plus 155 basis points (1.55%), depending on whether the Note can be issued as a "qualified tax exempt obligation under Section 265(b)(3) of the Code. The interest rate shall be adjusted on the 1st day of each calendar month to the rate computed two (2) Business Days prior to the 1st day of each month, with such rate to be adjusted as provided in the form of Note attached as Exhibit "A" hereto. Accrued interest on the Note, calculated based on the amount drawn from time to time, will be payable on the anniversary of the Dated Date and on the Maturity Date or earlier prepayment. All principal of the Note will be payable on the Maturity Date or earlier prepayment. Interest on the Note shall be calculated on the basis of a 360 day year consisting of twelve 30 day months. Details of the Note shall be as provided in the form of Note attached as Exhibit "A" hereto.

The Note shall be in registered form, contain substantially the same terms and conditions as set forth in Exhibit "A" hereto, shall be payable in lawful money of the United States of America, and the principal thereof, interest thereon and any other payments thereunder shall be payable by check, wire, draft or bank transfer to the Holder at such address as may be provided in writing by such Holder to the City Clerk. So long as the Note shall remain outstanding, the City shall maintain and keep books for the registration and transfer of the Note. The Note may be assigned as provided in the form of Note attached as Exhibit "A" hereto.

SECTION 4. EXECUTION OF NOTE. The Note shall be executed in the name of the City by the manual signature of the Mayor, the seal of the City shall be imprinted, reproduced or lithographed on the Note, and the Note shall be attested to by the manual signature of the City

Clerk. If any officer whose signature appears on the Note ceases to hold office before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes. In addition, the Note may bear the signature of, or may be signed by, such persons as at the actual time of execution of such Note shall be the proper officers to sign the Note although at the date of the Note or the date of delivery thereof such persons may not have been such officers.

SECTION 5. NOTE MUTILATED, DESTROYED, STOLEN OR LOST. If the Note is mutilated, destroyed, stolen or lost, the City may, in its discretion (i) deliver a duplicate replacement Note, or (ii) pay a Note that has matured or is about to mature. A mutilated Note shall be surrendered to and canceled by the City Clerk or its duly authorized agent. The Holder must furnish the City or its agent proof of ownership of any destroyed, stolen or lost Note; post satisfactory indemnity; comply with any reasonable conditions the City or its agent may prescribe; and pay the City's or its agent's reasonable expenses.

Any such duplicate Note shall constitute an original contractual obligation on the part of the City whether or not the destroyed, stolen, or lost Note be at any time found by anyone, and such duplicate Note shall be entitled to equal and proportionate benefits and rights as to lien on, and source of and security for payment from, the funds pledged to the payment of the Note so mutilated, destroyed, stolen or lost.

SECTION 6. PROVISIONS FOR PREPAYMENT. The Note may be prepaid in whole or in part at any time prior to maturity without premium or penalty in the manner provided in the form of Note attached as Exhibit "A" hereto.

SECTION 7. 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 the covenant of the City to budget and appropriate Legally Available Non-Ad Valorem Revenues, in the manner and to the extent herein 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 and the Legally Available Non-Ad Valorem Revenues, all in the manner and to the extent herein and in the Note provided. The Holders shall have no lien upon any real or tangible personal property of the City.

SECTION 8. COVENANT AND PLEDGE OF FEDERAL PROCEEDS AND STATE PROCEEDS. Within six (6) months of each draw on the Note, the City covenants to apply for such Federal Proceeds and State Proceeds to repay such draw as the City reasonably believes it is eligible for, and shall provide evidence of such application to the Bank. The City covenants to apply all Federal Proceeds and State Proceeds to the repayment of the Note within thirty (30) days of the City's receipt thereof and pledges such proceeds for such purpose.

SECTION 9. COVENANT TO BUDGET AND APPROPRIATE. The City further hereby covenants to budget and appropriate in its Annual Budget, by amendment if necessary, from Legally Available Non-Ad Valorem Revenues in each Fiscal Year, sufficient moneys to pay the principal of and interest on the Note in such Fiscal Year, until the Note is paid in full. Such covenant and agreement on the part of the City shall be cumulative to the extent not paid, and shall continue until Legally Available Non-Ad Valorem Revenues or other available funds in amounts sufficient to make all required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs now provided or maintained by the City, which generate Non Ad-Valorem Revenues. So long as there are Legally Available Non-Ad Valorem Revenues, the City may not fail to budget and appropriate debt service in order to balance its budget. The foregoing covenant to budget and appropriate shall be deemed to require appropriation, in the manner set forth above, of Legally Available Non-Ad Valorem Revenues ratably to pay the obligations hereunder and all other Additional Covenant Debt. The City will not enter into any covenant to budget and appropriate from Legally Available Non-Ad Valorem revenues which is in any manner prior or senior to its obligations hereunder. Additional Covenant Debt shall mean indebtedness of the City heretofore or hereafter issued which contains a covenant by the City to budget and appropriate from Legally Available Non-Ad Valorem Revenues an amount sufficient to pay the principal, interest and premium, if any, on such debt as same becomes due and payable, all in a form similar to the covenant described herein.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Legally Available Non-Ad Valorem Revenues, nor, except as provided in the next succeeding paragraph and Section 13 hereof, does it preclude the City from pledging in the future a particular source or sources of Non Ad- Valorem Revenues. Such covenant to budget and appropriate Legally Available Non-Ad Valorem Revenues is subject in all respects to the payment of obligations heretofore or hereafter (but only to the extent permitted by the next succeeding paragraph and Section 13 hereof) entered into, including but not limited to the payment of debt service on bonds and other debt instruments. However, the covenant to budget and appropriate in its Annual Budget for the purposes and in the manner stated herein shall have the effect of making available in the manner described herein Legally Available Non-Ad Valorem Revenues and placing on the City a positive duty to budget and appropriate, by amendment if necessary, amounts sufficient to meet its obligations hereunder.

In each Fiscal Year in which the Note is outstanding hereunder, the average of the prior two Fiscal Years' Legally Available Non Ad Valorem Revenues must cover the Maximum Annual Debt Service on debt secured by and/or payable from such Legally Available Non Ad Valorem Revenues, including the Note, by at least 1.5x. For purposes of this test, Maximum Annual Debt Service will be calculated based on the outstanding balance plus any unfunded amount on the Note, assuming an interest rate on any variable rate debt of the greater of (i) 6% per annum or (ii) the actual interest rate borne by such debt for the month preceding the date of calculation, and assuming an amortization period of 5 years on the Note.

SECTION 10. OPERATING BUDGET; FINANCIAL STATEMENTS. Before the first day of each Fiscal Year the Governing Body shall prepare, approve and adopt in the manner prescribed by law, a detailed Annual Budget. Such Annual Budget shall provide for revenues sufficient to comply with the City's obligations hereunder, including any unsatisfied obligations from prior Fiscal Years. The City shall annually provide to the Bank printed copies of (a) the City's Comprehensive Annual Financial Report, (b) the Annual Budget and (c) the City's Capital Improvement Plan when available, or within 180 days of the end of each Fiscal Year, whichever is sooner. The City will also annually provide the Bank with a Covenant Compliance Certificate in the form attached hereto as Exhibit "B" to evidence its compliance with the covenant contained in the last paragraph of Section 9, and any other financial information the Bank shall reasonably request.

SECTION 11. CONDITION PRECEDENT TO ISSUANCE OF NOTE AND HONORING OF DRAW REQUESTS. The Note shall not be issued, and the Bank shall not be obligated to honor any request for a draw unless:

(a) the City has provided loan documentation acceptable to the Bank and its counsel including, but not limited to, such information and documentation as may be required for the interest on the Note to be excludable from gross income for federal income tax purposes;

(b) the City has provided the Bank with updated information regarding any debt secured by or payable from Legally Available Non Ad Valorem Revenues not accounted for in the City's most recent CAFR;

(c) the City has provided the Bank with a Covenant Compliance Certificate in the form attached hereto as Exhibit "B" that evidences the City's compliance with the covenant contained in the last paragraph of Section 9 hereof; and

(d) the City has provided the Bank the documentation required by Section 12 hereof.

The Bank shall only be obligated to fund the Note and draws requested thereunder if, in addition to the foregoing, the financial condition of the City is acceptable to the Bank, in its sole discretion. The City hereby acknowledges that this 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 the Note or draws requested thereunder.

SECTION 12. PROCEDURE FOR MAKING DRAWS ON THE NOTE.

(a) Draw Limitations. The total principal amount outstanding on the Note shall never exceed $10,000,000. The initial and subsequent draws on the Note shall be at least $100,000. Draws may be made until May 31, 2018. No more than one draw on the Note per month shall be permitted.

(b) Conditions to Draws. Prior to each draw on the Note, the City shall provide the Bank with the following:

(i) the information required by Section 11 hereof;

(ii) a certificate of the City in the form attached hereto as Exhibit "C;" which shall include evidence satisfactory to the Bank that Broward County, the Governor of Florida or the President of the United States has declared a state of emergency in the geographic area including the City as the result of a natural disaster: and

(iii) such additional documentation as may be requested by the Bank or its counsel.

(c) Counsel Fees. The City shall pay the fees and costs of counsel to the Bank, which are estimated to be $6,500 in connection with the first draw.

(d) Repayment of Draws. Each draw shall be repaid no later than the Maturity Date. The City shall not be permitted to reborrow amounts that have been drawn and repaid.

SECTION 13. ISSUANCE OF ADDITIONAL OBLIGATIONS. The City will not issue any debt or obligation secured by or payable from the Federal Proceeds or the State Proceeds without the written consent of the Bank, which the Bank may grant or withhold in its sole discretion The City will not issue any additional Non- Ad Valorem Debt secured by or payable from a covenant to budget Legally Available Non-Ad Valorem Revenues or by a pledge of a particular source or sources of Legally Available Non-Ad Valorem Revenues unless after the issuance of such Non-Ad Valorem Debt the City meets the requirements set forth in the last paragraph of Section 9 hereof, evidenced by a Covenant Compliance Certificate in the form of Exhibit "B" attached hereto. The City will not enter into any covenant to budget Legally Available Non-Ad Valorem Revenues which is in any manner prior or senior to its obligations hereunder and under the Note.

SECTION 14. EXTENSION OF AVAILABILITY OF LINE OF CREDIT. By written request of the City delivered to the Bank at least sixty (60) days prior to May 31, 2018, the Bank and the City may agree to extend this Agreement for an additional successive period or periods, each period not to exceed one (1) year. The Bank shall respond in writing within ten (10) days of receipt of a written request as to its willingness to agree to an extension. The Bank's determination to accept or reject any such request shall be within the Bank's sole and absolute discretion. The failure of the Bank to respond to a request within the foregoing time period shall be deemed a denial of a request. No such extension shall extend the Maturity Date of the Note. Any additional notes issued by the City pursuant to an extension of this Agreement shall mature not later than two years from the date of issuance, and shall otherwise be subject to the terms and conditions hereof to the same extent as the Note. The City acknowledges that if so extended, this Agreement sets forth the terms and conditions under which additional note(s) could be issued and under which the City could make draws on such note(s), but that it does not irrevocably obligate the Bank to fund such draws. The Bank shall only be obligated to fund draws

requested to be made under an additional note if, in addition to the foregoing, (a) the issuance of such additional note will be in compliance with the provisions of the last paragraph of Section 9 and of Section 13 hereof, evidenced by the City's execution of a Covenant Compliance Certificate in the form attached hereto as Exhibit "B", and (b) the financial condition of the City at the time the Bank is requested to fund each draw under such additional note is acceptable to the Bank, in its sole discretion.

SECTION 15. MODIFICATION, AMENDMENT OR SUPPLEMENT. This Agreement may only be modified, amended or supplemented by an instrument in writing executed by the parties hereto. Notwithstanding the foregoing, if the City in the future, with respect to any bonds or notes secured by or payable from the Legally Available Non-Ad Valorem Revenues, Federal Proceeds or State Proceeds, agrees to more restrictive covenants, ratios, tests or remedies than provided herein, such more restrictive covenants, ratios, tests or remedies shall automatically be deemed incorporated herein *mutatis mutandi*.

SECTION 16. EVENTS OF DEFAULT; REMEDIES.

A. Events of Default. Any one or more of the following events shall be an "Event of Default":

(i) the City shall fail to pay the principal of or interest on the Note within ten (10) days of when due;

(ii) the City shall fail to pay the principal of or interest on any other loan or obligation for the repayment of money within ten (10) days of when due;

(iii) the City shall (a) admit in writing its inability to pay its debts generally as they become due, (b) file (or have filed against it and not dismissed within 90 days) a petition in bankruptcy or take advantage of any insolvency or similar act, (c) make an assignment for the general benefit of creditors, (d) consent to the appointment of a receiver for itself or for the whole or any substantial part of its property, or (e) be adjudicated a bankrupt; or

(iv) the City shall default in the payment of any other bonds or notes secured by or payable from the Legally Available Non-Ad Valorem Revenues, Federal Proceeds or State Proceeds; or

(v) The City shall default in the due and punctual performance of any of its covenants, conditions, agreements and provisions contained herein or in the Note, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Holder of the Note; provided that such default shall not be an Event of Default if the City within such 30 day period commences and carries out with due diligence to completion (although not necessarily within such thirty (30) day period) such action as is necessary to cure the same.

B. Remedies on Default. If an Event of Default shall have occurred and be continuing, the Holder (i) may accelerate the payment of the Note as set forth in the Note, and (ii) may proceed

to protect and enforce its rights hereunder by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained herein or for enforcement of any proper legal or equitable remedy as such Holder shall deem most effectual to protect and enforce the rights aforesaid.

No remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

No delay or omission of a Holder to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein; and every power and remedy given by this article may be exercised from time to time, and as often as may be deemed expeditious by a Holder.

SECTION 17. SAVINGS CLAUSE. If section, paragraph, sentence, clause or phrase of this Agreement 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 Agreement.

SECTION 18. CONTROLLING LAW; OFFICIALS OF CITY NOT LIABLE. All covenants, stipulations, obligations and agreements of the City contained in the Resolution, this Agreement and the Note shall be covenants, stipulations, obligations and agreements of the City to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained in the Resolution, this Agreement or the Note shall be a covenant, stipulation, obligation or agreement of any present or future member, agent, officer or employee of the City or the Governing Body of the City in his or her individual capacity, and neither the members or officers of the Governing Body of the City nor any official executing the Note shall be liable personally on the Note or shall be subject to any personal liability or accountability by reason of the issuance or the execution of the Note by the City or such members thereof.

SECTION 19. NO THIRD-PARTY BENEFICIARIES. Except as herein otherwise expressly provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and a subsequent holder of the Note issued hereunder, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any provision hereof, this Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the City and the Bank and their respective successors and assigns hereunder and under the Note.

SECTION 20. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

SECTION 21. WAIVER OF JURY TRIAL. THE CITY AND THE BANK IRREVOCABLY AND VOLUNTARILY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY CONTROVERSY OR CLAIM BETWEEN THEM, WHETHER ARISING IN CONTRACT, TORT OR BY STATUTE, THAT ARISES OUT OF OR RELATES TO THIS LINE OF CREDIT AGREEMENT, THE NOTE OR THE RESOLUTION. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE CITY AND THE BANK TO ENTER INTO THIS AGREEMENT.

SECTION 22. EFFECTIVE DATE. This Agreement shall take effect immediately upon its execution by the parties hereto.

Entered into this 22 day of June, 2017.

CITY OF HOLLYWOOD

ATTEST:

PATRICIA A. CERNY, MMC, City Clerk

JOSH LEVY, Mayor

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

ALAN FALLIK, Interim City Attorney

WAZIR ISHMAEL, PH.D., City Manager

GEORGE R. KELLER, JR., Asst City Mgr /
Interim Director of Financial Services

CITY NATIONAL BANK OF FLORIDA

Lance Aylsworth
Senior Vice President

EXHIBIT "A"

FORM OF NOTE

REGISTERED

No. R- 1

REGISTERED

Not to exceed
$10,000,000.00

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF HOLLYWOOD
REVENUE ANTICIPATION NOTE

Interest Rate:	Maturity Date:	Dated Date:
Variable, as set forth below	_____	_____

REGISTERED OWNER: CITY NATIONAL BANK OF FLORIDA

MAXIMUM PRINCIPAL AMOUNT: TEN MILLION DOLLARS ($10,000,000)

KNOW ALL MEN BY THESE PRESENTS, that the City of Hollywood, Florida, a municipal corporation of the State of Florida (hereinafter called the "City") for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, but solely from the revenues hereinafter mentioned, on the dates hereinafter provided, the Principal Amount identified above, and to pay, solely from such revenues, interest on the Principal Amount remaining unpaid from time to time, at the interest rate per annum set forth herein (the "Note Rate"), until the entire Principal Amount has been repaid. Principal of and interest on this Note will be paid by bank wire, check, draft or bank transfer delivered to the Registered Owner hereof at such address as may be provided in writing by the Registered Owner to the City no later than the close of business on the fifth Business Day (as defined in the hereinafter described Resolution), next preceding each interest payment date (the "Record Date").

This Note shall bear interest at a "bank qualified" tax exempt variable rate equal to 70% of one month LIBOR, plus 100 basis points (1.00%) if the Note can be issued as a "qualified tax exempt obligation under Section 265(b)(3) of the Code or a taxable variable rate of one month LIBOR plus 155 basis points (1.55%), adjusted on the first day of each calendar month to the rate computed two (2) Business Days prior to the 1st day of each month. LIBOR is defined in the Line of Credit Agreement (as hereinafter defined) to mean the London Interbank Offered Rate as posted by the British Bankers Association as shown on the Telerate System, page 3750, for U.S. dollar deposits of a stated maturity. Interest on this Note shall be calculated on the basis of a 360 day year consisting of twelve 30 day months.

Payments of accrued interest hereon, based on the amount drawn by the City from time to time pursuant to the Line of Credit Agreement between the City and City National Bank of Florida (the "Bank") dated June , 2017 (the "Line of Credit Agreement"), will be payable on the anniversary of the Dated Date and on the Maturity Date. Payments of principal will be due on the Maturity Date, based on the amount drawn hereon by the City from time to time.

Each date when principal and/or interest on this Note is due is a "Payment Date." If any Payment Date is not a Business Day, the payment otherwise due on such Payment Date shall be due on the preceding Business Day.

Upon the occurrence of an Event of Default (as defined in the Line of Credit Agreement) until such Event of Default has been cured this Note shall bear interest at the greater of (i) a variable rate equal to the Bank's "Prime Rate" plus 300 basis points or (ii) the Note Rate plus 300 basis points, but in no event to exceed the maximum rate permitted by law. Also, upon the occurrence of an Event of Default, the Holder may declare the entire outstanding balance due hereon to be immediately due and payable, and in any such acceleration the City shall also be obligated to pay all costs of collection and enforcement thereof, including such fees as may be incurred on appeal or incurred in any bankruptcy or insolvency proceeding.

This Note is issued in the aggregate principal amount not to exceed $10,000,000 to pay the Costs of the Project (as defined in the Line of Credit Agreement), pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Charter of the City (collectively, the "Act"), and Resolution No. R-2017- , adopted by the City Commission of the City on June , 2017 (the "Resolution").

This Note and the interest hereon are secured by the Federal Proceeds and State Proceeds (both as defined in the Line of Credit Agreement). This Note and the interest hereon are further secured by the City's covenant to budget and appropriate in each Fiscal Year from its Legally Available Non-Ad Valorem Revenues, sufficient moneys to pay the principal of and interest on the Note, until this Note has been paid in full. Reference is hereby made to the Line of Credit Agreement for the provisions, among others, relating to the terms and security for the Note, the custody and application of the proceeds of the Note, the rights and remedies of the Registered Owner of the Note and the limitations thereon, and the extent of and limitations on the City's rights, duties and obligations, to all of which provisions the Registered Owner hereof for himself and his successors in interest assents by acceptance of this Note. All terms used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed thereto in the Line of Credit Agreement.

During any period that this Note is bearing interest at a "bank qualified" rate, in the event of a Determination of Taxability, the interest rate payable hereunder shall be subject to a full gross-up modification, as determined by the Registered Owner and its counsel (the "Taxable Rate"), effective retroactively to the date on which such Determination of Taxability was made. In addition, upon a Determination of Taxability, the City agrees to pay to the Registered Owner subject to such Determination of Taxability the Additional Amount upon demand. "Additional Amount" means (i) the difference between (a) interest on this Note for the period commencing on the date on which the interest on this Note ceased to be excludable from gross income for federal income tax purposes and ending on the earlier of the date this Note ceased to be outstanding or such adjustment is no longer applicable to this Note (the "Taxable Period") at a rate per annum equal to the Taxable Rate, and (b) the aggregate amount of interest paid on this Note for the Taxable Period under the provisions of this Note without considering the Determination of

Taxability, plus (ii) any penalties and interest paid or payable by such Registered Owner to the Internal Revenue Service by reason of such Determination of Taxability. As used herein, "Determination of Taxability" means a final decree or judgment of any federal court or a final action of the Internal Revenue Service or of the United States Treasury Department determining that any interest payable on this Note is includable in the gross income of the Registered Owner. No such decree or action shall be considered final for the purposes of this paragraph unless the City has been given written notice thereof and, if it is so desired by the City and is legally permissible, the City has been afforded the opportunity to contest the same, at its own expense, either directly or in the name of the Registered Owner and until the conclusion of any appellate review, if sought.

During any period that this Note is bearing interest at a "bank qualified" rate, if the tax laws or regulations are amended to decrease the maximum marginal statutory percentage rate of Federal income tax applicable to the taxable income of the Registered Owner, or to cause the interest on this Note to be subject to a minimum tax or an alternative minimum tax or to change the disallowance rate of interest deductions due to the purchase and holding of this Note or to otherwise decrease the yield on this Note to the Registered Owner (directly or indirectly, other than a change as a result of a Determination of Taxability), then the interest rate on this Note shall be adjusted to cause the after-tax yield on this Note to equal what the after-tax yield on this Note would have been in the absence of such change or amendment in the tax laws or regulations. If the tax laws or regulations are amended to increase the after-tax yield on this Note to the Registered Owner (including any change in the marginal tax rate of the Registered Owner), then the after-tax yield on this Note shall be adjusted to equal what the after-tax yield on this Note would have been in the absence of such change or amendment in the tax laws or regulations.

Notwithstanding the foregoing, in no event shall the interest rate payable on this Note in any year exceed the maximum rate permitted by law.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE REGISTERED OWNER OF THIS NOTE THAT SUCH REGISTERED OWNER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS NOTE OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE RESOLUTION.

This Note shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration of transfer contained herein and in the Resolution.

The principal amount of this Note may be prepaid, in whole or in part at any time without premium or penalty. Once repaid, the principal of this Note may not be reborrowed.

This Note may be assigned by the owner of this Note, or any assignee or successor-in-interest thereto. Such assignment shall only be effective, and the City obligated to pay such assignee, upon delivery to the Clerk at the address set forth below of a written instrument or instruments of assignment in the form provided herein, duly executed by the owner of this Note or by his attorney-in-fact or legal representative, containing written instructions as to the details of assignment of this Note, along with the social security number or federal employer identification number of such assignee. In all cases of an assignment of this Note the City shall at the earliest practical time in accordance with the provisions of the Resolution enter the change of ownership in the registration books; provided, however, the written notice of assignment must be received by the Clerk no later than the close of business on the fifth Business Day prior to a Payment Date in order to carry the right to receive the interest and principal payment due on such Payment Date. The City may conclusively rely on the authenticity of any Form of Assignment delivered to it in accordance with this paragraph and accompanied by the original of the Note to which it relates.

Any payment or notice required to be given to the Registered Owner hereunder shall be given to the Registered Owner at 1450 Brickell Ave, Suite 2800, Miami, Florida 33131, Attention: Government, Institutional and Non-Profit Banking, or such other address or addresses as the Registered Owner shall provide the City in writing. In the event of an assignment of this Note, any payment or notice required to be given to the Registered Owner hereunder shall be given to the Registered Owner at the address or addresses shown on the Form of Assignment hereto, or such other address or addresses as the Registered Owner shall provide the City in writing Any notice required to be given to the City hereunder shall be given to the Clerk at 2600 Hollywood Boulevard, Hollywood, Florida 33020 or such other address or addresses as the City shall provide the Registered Owner in writing

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Note exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable hereto, and that the issuance of the Note does not violate any constitutional or statutory limitation or provision.

IN WITNESS WHEREOF, the City of Hollywood, Florida has issued this Note and has caused the same to be executed by the manual signature of the Mayor and attested by the manual signature of the City Clerk and its corporate seal or a facsimile thereof to be affixed or reproduced hereon, all as of the day of_____, .

CITY OF HOLLYWOOD, FLORIDA

(SEAL)

ATTEST: _____
MAYOR

_____
CITY CLERK

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

_____
CITY ATTORNEY

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Dated:_____

_____
SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION NUMBER
OF ASSIGNEE

_____
NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Note in every particular, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common TEN
ENT - as tenants by the entireties
JT TEN - as joint tenants with the right of survivorship and not as tenants in common
UNIFORM TRANS MIN ACT -_____Custodian for_____(Cust.) (Minor) under Uniform Transfers to Minors Act of_____(State).

Additional abbreviations may also be used though not in the above list.

Name and address of assignee for payment and notice purposes

Notice:_____
_____
_____

Payment:_____
_____
_____

Date: _____

Assignee: _____

By:
_____
Title:
_____

EXHIBIT "B"

FORM OF COVENANT COMPLIANCE CERTIFICATE

EXHIBIT B

ANTI-DILUTION CERTIFICATE

The City hereby certifies to City National Bank of Florida that it is in compliance with the required covenant contianied in the Line of Credit Agreement between th e City and the Bank (the "Agreement") as follows:

1. All Legally Available Non-Ad Valorem Revenues shall mean 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 purpose affecting the health welfare and safety of the inhabitants of the City or which are legally mandated by applicable law. The City hereby covenants to budget and appropriate in its Annual Budget, by amendment if necessary, from Legally Available Non-Ad Valorem Revenues in each Fiscal Year, sufficient moneys to pay the principal of and interest on the Note in such Fiscal Year, until the Note is paid in full. Such covenant and agreement on the part of the City shall be cumulative to the extent not paid, and shall continue until Legally Available Non-Ad Valorem Revenues or other available funds in amounts sufficient to make all required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs now provided or maintained by the City, which generate Non Ad-Valorem Revenues.So long as there are Legally Available Non-Ad Valorem Revenues, the City may not fail to budget and appropriate debt service in order to balance its budget. The foregoing covenant to budget and appropriate shall be deemed to require appropriation, in the manner set forth above, of Legally Available Non-Ad Valorem Revenues ratably to pay the obligations under the Agreement and all other Additional Covenant Debt. The Issuer will not enter into any covenant to budget and appropriate from Legally Available Non-Ad Valorem Revenues which is in any manner prior or senior to its obligations hereunder. Additional Covenant Debt shall mean indebtedness of the Issuer heretofore or hereafter issued which contains a covenant by the Issuer to budget and appropriate from Legally Available Non-Ad Valorem Revenues amount sufficient to pay the principal, interest and premium, if any, on such debt as same becomes due and payable, all in a form similar to the covenant described herein.

2. For each fiscal year during the term of the Note, and prior to the incurrence of additional debt secured by a covenant to budget and appropriate from all Legally Available Non-Ad Valorem Revenues or by a pledge of a particular source or sources of Legally Available Non-Ad Valorem Revenues, the average of the prior two fiscal years Legally Available Non Ad Valorem Revenues as defined above, must cover existing and projected maximum annual debt service on debt secured by and/or payable from such Legally Available Non Ad Valorem Revenues by at least 1.5x, For purposes of calculating maximum annual debt service, maximum annual debt service will be calculated based on the outstanding balance plus any unfunded amount on the Note, assuming an interest rate on any variable rate debt of the greater of (i) 6% per annum or (ii) the actual interest rate borne by such debt for the month preceding the date of calculation, and assuming an amortization period of 5 years on the Note.

3. The City's Legally Available Non-Ad Valorem Revenues for the prior two fiscal years are as follows:

EXHIBIT B

The County's legally available Non-Ad Valorem Revenues for the prior two fiscal years are as follows:

Revenues	**2015**		**2016**	
Total Revenues (Per CAFR)	$ 206,905		$ 219,194	
Less: Ad Valorem Revenues	$ 96,228	(64,459+3,781 d/s +27,988' TIF)	$ 104,272	(70,739+3,742 d/s +29,789' TIF)
Total Non-Ad Valorem Revenues	$ 110,677		$ 114,922	
Less Restricted Funds:				
[GO Bond Projects]	1			
[Gen Cap Proj]	(1,947)	(-1,946.7 Gen gov)	1,899	(1,898.6 Gen gov)
[Special Programs]	1,568	(2,195 - 12 GG - 9 pub saf - 606 d/s)	2,704	(3,172 - 38 GG - 12 pub saf - 417 d/s)
[Emergency & Dis]	4		2	
[Hsg Loan]				
[Ship]	148		1,513	
[Gas Tax Cap Proj]	2,652		2,699	
Adjusted Non Ad-Valorem Revenues	$ 108,254		$ 106,107	
Essential Expenditures:				
General Government **	$ 18,538	(26,239-6,322-1,379 CRA gen fov exp)	$ 16,006	(26,847-8,334-2,507 CRA gen fov exp)
Public Safety	$ 123,346		$ 120,134	
Total Essential Expenditures	$ 141,886		$ 136,141	
Less: Essential expenditures paid from Ad Val Funds net of ad Val DS levy or Designated Ad Val Revs	$ 64,459		$ 70,740	
Adjusted Essential Expenditures:	$ 77,427		$ 65,401	
Legally Available Non-Ad Val Revs (adjusted Non-Ad Val Revs less Adjusted Essential Exp)	$ 30,827		$ 40,706	

** Gen Gov Exp reduced by CRA Gen Gov Exp as these are paid by Ad Val collected in CRA fund.

The City's debt service coverage ratio is as follows:	
Average Legally Available Non-Ad Valorem Revenues	$35,767
Maximum Annual Debt Service:	
Capital Leases	1,400
First Florida	3,907
HUD	504
2016A Capital Imp Ref & Rev Bonds	4,697
Emergency LOC $10MM@6% 5 years (Is Not Drawn Down)	2,374
	12,882
Ratio -- Assumes Emergency Line of Credit is Drawn	2.78
Ratio -- No Emergency Line of Credit	3.40

EXHIBIT "C"

FORM OF DRAW CERTIFICATE

DRAW CERTIFICATE

DRAW NO. ___

The undersigned officer of the City of Hollywood, Florida (the "City") DOES HEREBY CERTIFY THAT:

1. This certificate is being provided to City National Bank of Florida (the "Bank") in accordance with Section 12(b) of that certain Line of Credit Agreement dated June __, 2017 between the City and the Bank (the "Agreement"), in order to permit the City to make a draw on its Note in favor of the Bank dated _____ (the "Note").

2. The City hereby requests a draw on the Note in the amount of $_____. The proceeds of the draw will be used to pay for expenditures for extraordinary, nonrecurring items incurred subsequent to and as a result of a declared state of emergency in the geographic area including the City as a result of a natural disaster. Attached hereto is a copy of the declaration of such state of emergency by [Broward County] [the Governor of Florida] [the President of the United States of America].

3. After such draw, the total principal amount of $_____ will be outstanding and available to be drawn on the Note.

4. The City has provided the Bank with the information required by Section 11 of the Agreement including, but not limited to, a Covenant Compliance Certificate in the form attached to the Agreement.

5. Attached hereto are the following documents [required for first draw request only]:

(i) the fully executed Note;
(ii) a Federal Tax Certificate and such other certificates of the City as may be requested by bond counsel and counsel for the Bank;
(iii) an opinion of the City Attorney in a form and substance acceptable to the Bank and its counsel;
(iv) an opinion of bond counsel (which may be counsel for the Bank) opining as to the status of the interest on the Note for federal income tax purposes, in a form and substance acceptable to the Bank and its counsel (if bond counsel is not counsel for the Bank)

6. The City covenants that it will complete and file or cause to be filed IRS Form 8038-G with the Internal Revenue Service at the address indicated in the instructions to said form within 30 days of the date hereof, and provide the Bank with proof of filing. The City covenants that it will complete and file or cause to be filed Florida Division of Bond Finance Form BF-2003/2004 with the State of Florida Division of Bond Finance at the address indicated on said form within 30 days of the date hereof, and provide the Bank with proof of filing [required for first draw request only].

7. The City reasonably anticipates as of the date hereof 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") issued by the City and entities subordinate to the City will not exceed $_____ for calendar year 201__. Accordingly, the City hereby designates the Note to be a "qualified tax-exempt obligation" for calendar year 201__ within the meaning of Section 265(b) of the Code [first draw request only].

8. As of the date of this certificate, the undersigned is the duly appointed, qualified and serving City Manager of the City, and as such is authorized to execute this certificate on behalf of the City.

WITNESS my hands and the corporate seal of the City of Hollywood, Florida this _____ day of _____, 201__.

CITY OF HOLLYWOOD

By:_____

Name: _____
Title: City Manager

[SEAL]

City National Bank
Bci FINANCIAL GROUP

May 10, 2017

Ms. Shawn Burgess
Division Director, Treasury
City of Hollywood
2600 Hollywood Blvd
P.O. Box 229045
Hollywood, FL 33022

Via Email: SBURGESS@hollywoodfl.org

RE: City of Hollywood Emergency Line of Credit

Dear Ms. Burgess:

City National Capital Finance is pleased to present this proposal (the "Term Sheet") to the City of Hollywood, Florida in connection with the above referenced:

TERM SHEET

BORROWER:	City of Hollywood, FL
AMOUNT:	Not to exceed $10,000,000.00
FACILITY:	Non-revolving line of credit / Revenue Anticipation Note
PURPOSE:	To provide financing to meet hurricane and/or other natural disaster recovery costs relating to a declared natural disaster affecting the City (the Project).
LINE EXPIRATION:	May 31, 2018 (renewable annually upon mutual consent) Any draws under the Line of Credit Agreement will mature two (2) years from the initial draw.
AMORTIZATION:	Principal on any draws under the Line of Credit will mature two (2) years from the initial draw. Interest on any draws will be due and payable semi-annually from the initial draw date. Interest will be calculated based on a 30/360-day basis.
INTEREST RATE:	Option 1: Bank Qualified Tax Exempt Variable Rate of 70% of 1-month LIBOR plus 100 basis points. Option 2: Taxable Variable Rate of 1-month LIBOR plus 155 basis points. The Rate Option will be determined at the time a Note is funded.
PREPAYMENT:	The loan may be prepaid at anytime without penalty.

FEE:	$35,000 due at Line of Credit closing.
ANTICIPATED CLOSE DATE:	June 8, 2017
SECURITY:	The City shall secure the facility with the proceeds of any grants received from the Federal Emergency Management Agency (FEMA) and/or other State or Federal Agencies to pay costs and expenses associated with the Project and a Covenant to Budget and Appropriate from legally available Non-Ad Valorem Revenues.
TERMS AND CONDITIONS:	A Line of Credit Agreement will establish the parameters under which draws may be funded. The initial Line of Credit Agreement will expire 05/31/2018. The City may request an extension for one (1) year in writing at least 60 days prior to the expiration date. The Bank will respond in writing within 10 days of receipt of a written request. The Bank's determination to accept or reject any such request shall be within the Bank's sole and absolute discretion. The failure of the Bank to respond to a request within the foregoing time period shall be deemed a denial of a request. The total amount of the draws under the Line of Credit may never exceed $10,000,000.00. Bank will not be obligated to fund any draws unless: 1. The City has provided loan documentation acceptable to the Bank and its counsel including, but not limited to, such information and documentation as may be required for the interest on the draw to be excludable from gross income and federal income tax purposes for Interest Rate Option 1; 2. Prior to funding a draw, the City must be declared in a Federal Natural Disaster Area and/or a state of emergency must have been declared by Broward County, the Governor of Florida, or the President of the United States; 3. The City has provided the Bank with updated information regarding any debt secured by or payable from legally available Non-Ad Valorem revenues not accounted for in the City's most recent CAFR; 4. The City has provided the Bank with an Anti-Dilution Test in the form of Exhibit B, attached, that evidences the City's compliance with the Covenant B below; 5. The financial condition of the City is acceptable to the Bank, in its sole discretion. The City will acknowledge that the Line of Credit Agreement simply sets for the terms and conditions under which the City

may request a draw, but that it does not obligate the Bank to fund any draw.

COVENANTS:

Covenants customarily required for credit facilities of this type including but not limited to:

A. All legally available Non-Ad Valorem Revenues shall mean all revenues of the City derived from any source whatsoever other than Ad Valorem taxation on real and personal property and are legally available to make the loan repayments required under this proposal, but only after provision has been made by the City for payment of services and programs which are for essential public purpose affecting the health welfare and safety of the inhabitants of the City or which are legally mandated by applicable law. So long as there are legally available Non-Ad Valorem Revenues, the City may fail to budget and appropriate debt service in order to balance its budget. The foregoing covenant to budget and appropriate shall be deemed to require appropriation, in the manner set forth above, of Non-Ad Valorem Revenues ratably to pay the obligations hereunder and all other Additional Covenant Debt. The Issuer will not enter into any covenant to budget and appropriate debt from Non-Ad Valorem Revenues which is in any manner prior or senior to its obligations hereunder. Additional Covenant Debt shall mean indebtedness of the Issuer heretofore or hereafter issued which contains a covenant by the Issuer to budget and appropriate from Non-Ad Valorem Revenues amount sufficient to pay the principal, interest and premium, if any, on such debt as same becomes due and payable, all in a form similar to the covenant described herein.

B. For each fiscal year during the term of the loan, and prior to the incurrence of additional debt secured by a Covenant to Budget and Appropriate from all legally available Non-Ad Valorem Revenues, the average of the prior two years legally available Non-Ad Valorem Revenues, as defined above, must cover the existing and projected maximum annual debt service on debt secured by and/or payable from such Revenues by at least 1.5x. For purposes of calculating maximum annual debt service, variable rate debt shall be assumed to bear an interest at the higher of 6% per annum or the actual interest rate borne by the loan for the month preceding the date of calculation. For purposes of this test, Maximum Annual Debt Service on the subject loan will be calculated based on the outstanding balance plus any unfunded amount on the subject Line of Credit, bearing an interest at 6% and amortizing over 5 years.

The preceding terms and conditions are not exhaustive. Any final documents will include other covenants, terms and closing conditions as are customarily required by the Bank for similar transactions including but not limited to a Cross Default with other like secured debt, Default Rate of the higher of the Note Rate + 3% or Prime rate + 3%, Events of Default, Acceleration upon Default, and waiver of jury trial, most favored nation provision, such that more restrictive covenants, ratios and tests, and greater remedies under the Obligor's other like secured debt instruments shall be automatically deemed incorporated, mutatis mutandis, into the loan documents, and prohibitions on the use of bond proceeds for leveraged or margined investments and on speculative derivative transactions, in each case without the prior written consent of the Bank. To the extent permitted by law, the loan documents will include customary interest rate recapture ("clawback") language allowing the Bank to recover interest in excess of any maximum interest rate imposed by law.

The City covenants to apply for FEMA or other grants within six months of the closing of any draws and provide evidence of such to the Bank.

The City covenants to apply all FEMA proceeds and State or other Local, State or Federal proceeds to the repayment of any draws within 30 days of the City's receipt thereof.

The City may not issue any debt or obligation secured by or payable from the FEMA Proceeds or the Local, State or Federal proceeds without the written consent of the Bank, which the Bank may grant or withhold in its sole discretion. The City may not issue any additional Non-Ad Valorem Debt secured by or payable from a covenant to budget legally available Non-Ad Valorem Revenues unless after the issuance of such Non-Ad Valorem Debt, the City meets the requirements set forth in Covenant B above, evidenced by an Anti-Dilution Test in the form of Exhibit B attached.

ATTORNEY FEES:

Bank will pay attorney costs for the Line of Credit Agreement and preparation. City will pay attorney fees for Line Agreement renewals and document preparation at time of the initial draw.

IRS CIRCULAR 230 DISCLOSURE:

Bank and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not written or intended to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Bank of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

ADVISORY DISCLOSURE:

Bank is not a registered municipal advisor as defined under the Dodd-Frank Wall Street Reform and Consumer Protection Act and its related rules and regulations. In providing this Term Sheet, Bank is not providing any advice, advisory services, or recommendations with respect to the structure, timing, terms, or similar matters concerning an issuance of municipal securities. This Term Sheet is a commercial, arms-length proposal that does not create a fiduciary duty by Bank to the Issuer. The Issuer may engage, separately and at its own cost, an advisor to review this Term Sheet and the proposed transaction on the Issuer's behalf.

CREDIT APPROVAL:

This Term Sheet is subject to formal credit approval by Bank and the negotiation of mutually acceptable documentation. For due diligence, Bank will require Issuer's three (3) most recent audited financial statements, its most recently adopted budget, covenant compliance certificate(s), and any other information that Bank may reasonably require.

PROPOSAL EXPIRATION:

Unless accepted by the Issuer or extended in writing by Bank at its sole discretion, this Term Sheet shall expire on June 10, 2017. Once accepted, this Term Sheet shall expire if the Line of Credit has not closed by June 30, 2017 unless extended in writing by Bank at its sole discretion.

Upon receipt of the signed Term Sheet, we will endeavor to provide you with a timely commitment and use good faith efforts to negotiate and finance the Loans based on the terms herein. It is a pleasure to offer this financing proposal to the City.

Very truly yours,

Lance Aylsworth
Senior Vice President
City National Bank of Florida
Lance.aylsworth@citynational.com

Agreed to and Accepted by authorized signatory for City of Hollywood: (Please note this acceptance is subject final City Commission approval.)

_____

George R. Keller, Jr.

_____

Assistant City Manager for Finance & Administration / Interim Director of Financial Services Department

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Date