
LOAN AGREEMENT

between

CITY OF HOLLYWOOD, FLORIDA
as Borrower

and

as Lender

Relating to

\$ _____
Electric Franchise Fee Revenue Note, Taxable Series 2022A

and

\$ _____
Electric Franchise Fee Revenue Note, Series 2022B

Dated as of April 13, 2022

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LOAN AGREEMENT

This Loan Agreement (this “Agreement”) is made and entered into as of April 13, 2022 and is by and between the City of Hollywood (the “City”) and [_____] (the “Bank”), and its successors and assigns as holder of the hereinafter defined Notes.

WHEREAS, the City Commission of the City did, on [_____] 2022, adopt Resolution No. R-[2022-____] (the “Note Resolution”) accepting the proposal from the Bank to lend the City \$[_____] to enable the City to pay the unpaid balance of the amount stipulated in the Settlement Agreement between the City and the Board of Trustees of the City of Hollywood Employees Retirement Fund (the “Three Year Loan”), and \$[_____] to fund the purchase of municipal vehicles (the “Five Year Loan”, and together with the Three Year Loan, the “Loans”); and

WHEREAS, the City hereby determines that it is desirable and in the best interest of the City to enter into this Agreement whereby the City will borrow funds from the Bank to be used for the purposes described in Section 5.1 hereof; and

WHEREAS, to evidence the obligation of the City to repay the loan the Three Year Loan, the City shall issue pursuant to the Note Resolution and this Agreement its Electric Franchise Fee Revenue Note, Taxable Series 2022A, issued in the original principal amount of \$[_____] (the “Series 2022A Note”); and

WHEREAS, to evidence the obligation of the City to repay the Five Year Loan, the City shall issue pursuant to the Note Resolution and this Agreement its Electric Franchise Fee Revenue Note, Series 2022B, issued in the original principal amount of \$[_____] (the “Series 2022B Note” and, together with the Series 2022A Note, the “Notes”); and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the City Commission pursuant to the Note Resolution;

NOW THEREFORE, in consideration of the sum of \$10.00, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which is acknowledged by both parties, the parties agree as follows.

ARTICLE I

DEFINITION OF TERMS

Section 1.1 Definitions. Capitalized words and terms used in this Agreement, without definitions, shall have the meanings set forth in the Note Resolution and in the recitals above, unless otherwise defined herein. Unless the context shall otherwise require, the following words and terms as used in this Agreement shall have the following meanings:

“Act” means Part II of Chapter 166, Florida Statutes, as amended, the Charter of the City, and other applicable provisions of law.

“Agreement” means this Loan Agreement and any and all modifications, alterations, amendments and supplements to this Loan Agreement.

“Business Day” means any day which is not a Saturday, Sunday or other day on which the Bank is lawfully closed.

“City Commission” means the governing body of the City or any successor council, commission, board or body in which the general legislative power of the City shall be vested.

“City Manager” means the City Manager of the City or, in the City Manager's absence or unavailability to act, any Deputy City Manager.

“Clerk” means the Clerk or any Deputy Clerk 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.

“Dated Date” means the date of issuance of the Notes.

“Default Rate” means the lesser of ____ percentage points over the Bank’s prime rate of interest or the maximum legal rate at the time of the occurrence of an Event of Default under Section 8.1(a) of this Agreement that causes interest to become payable at the Default Rate. The Default Rate shall apply only during the continuance of such Event of Default.

“Determination of Taxability” means as a result of the action or inaction of the City the issuance of a final decree or judgment of any federal court or a final action of the Internal Revenue Service determining that interest paid or payable on the Series 2022B Note is or was includable in the gross income of the Bank for federal income tax purposes; provided, however, that no such decree, judgment, or action will be considered final for this purpose unless the City has been given written notice and, if the City so desires and it is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of the Bank, and until the conclusion of any appellate review, if sought. A “Determination of Taxability” does not include and is not triggered by a change in law by Congress that causes the interest on the Series 2022B Note to be includable in the gross income of the Bank for federal income tax purposes.

“Electric Franchise Fee Ordinance” means Ordinance No. O-2003-19, enacted by the City Commission on July 16, 2013, as the same may be amended.

“Electric Franchise Fee Revenues” means, the revenues received by the City pursuant to that certain franchise fee agreement between the City and Florida Power & Light Company, authorized by and contained in the Electric Franchise Fee Ordinance.

“Event of Default” shall mean an event of default specified in Article VIII of this Agreement.

“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.

“Holder” means the registered owner of the Notes from time to time, initially the Bank.

“Loans” has the meaning set forth in the recitals to this Agreement.

“Loan Documents” means this Agreement, the Notes, the Note Resolution and all other documents, agreements, certificates, schedules, notes, statements, and opinions, however described, referenced herein or executed or delivered pursuant hereto or in connection with or arising with the Loans or the transaction contemplated by this Agreement.

“Mayor” means the Mayor of the City and such other person as may be authorized to act on his or her behalf.

“Note Counsel” means counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

“Notes” means, collectively, the Series 2022A Note and the Series 2022B Note.

“Note Payment Date” means, for so long as the Notes shall remain outstanding, each February 1, August 1, May 1 and November 1 of each year, commencing August 1, 2022. The last payment of interest and principal shall occur on May 1, 2025 with respect to the Series 2022A Note, and on May 1, 2027 with respect to the Series 2022B Note.

“Patriot Act” means the USA PATRIOT Improvement and Reauthorization Act of 2005 (Pub. L. 109-177 (signed into law March 9, 2006)), as amended and in effect from time to time.

“Person” means natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

“Pledged Revenues” means the Electric Franchise Fee Revenues received by the City from the electric service franchisee granted by the City to Florida Power & Light Company pursuant to the Electric Franchise Fee Ordinance.

“Proposal” means the Lender's Proposal Letter dated _____, 2022, submitted in response to the City's Solicitation XXXX.

“Series 2022A Note” shall have the meaning ascribed to it in the recitals to this Agreement.

“Series 2022B Note” shall have the meaning ascribed to it in the recitals to this Agreement.

“Settlement Agreement” means the Settlement Agreement dated October 2, 2019, by and between the City and the Board of Trustees of the City of Hollywood Employees' Retirement Fund.

“State” means the State of Florida.

“Taxable Rate” means, upon the occurrence and continuation of a Determination of Taxability with respect to the Series 2022B Note, an interest rate on the Series 2022B Note equal to ____% per annum.

Section 1.2 Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all its terms and provisions shall be construed to effectuate the purposes set forth in this Agreement and to sustain the validity of this Agreement.

Section 1.3 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part of this Agreement, shall not in any way modify or restrict any of the terms and provisions of this Agreement, and shall not be considered or given any effect in construing this Agreement or any provision of this Agreement or in ascertaining intent, if any question of intent should arise.

Section 1.4 Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations under this Agreement shall be made and all financial statements required to be delivered under this Agreement shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the City’s independent public accountants in the case of financial statements reported on by such accountants) with the most recent audited financial statements of the City delivered to the Bank.

ARTICLE II

REPRESENTATIONS OF CITY

The City represents and warrants to the Bank that:

Section 2.1 Powers of City. The City is duly organized and validly existing as a municipal corporation under the laws of the State. The City has the power to borrow the amounts provided for in this Agreement, to execute and deliver the Loan Documents, to secure the Notes in the manner contemplated hereby, and to perform and observe all the terms and conditions of the Notes and this Agreement on its part to be performed and observed. The City may lawfully issue the Notes in order to obtain funds to finance the Loans.

Section 2.2 Authorization of Loans. The City has, had or will have, as the case may be, full legal right, power, and authority to adopt the Note Resolution and to execute and deliver this Agreement, to issue, sell, and deliver the Notes to the Bank, and to carry out and consummate all other transactions contemplated hereby and by the Loan Documents, and the City has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The City, by the Note Resolution, has duly authorized the borrowing of the amount provided for in this Agreement, the execution and delivery of this Agreement, and the making and delivery of the Notes to the Bank, and to that end the City warrants that it will take all action and

will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Notes. The City has duly adopted the Note Resolution and authorized the execution, delivery, and performance of the Notes and the Agreement and the taking of any and all other such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by the Loan Documents. The Notes have been duly authorized, executed, issued and delivered to the Bank and constitute legal, valid and binding obligations of the City enforceable in accordance with their terms and the terms of the Note Resolution (except as enforceability may be limited by general principles of equity which may permit the exercise of judicial discretion, and by bankruptcy, insolvency, moratorium, reorganization or similar laws relating to the enforcement of creditors' rights generally, now or after this date in effect), and are entitled to the benefits and security of the Note Resolution and this Agreement. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Notes or the execution and delivery of or the performance by the City of its obligations under the Loan Documents have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect.

Section 2.3 Agreements. The making and performing by the City of this Agreement will not violate any provision of the Act, any ordinance or resolution of the City, or any regulation, order or decree of any court, and will not result in a breach of any of the terms of any agreement or instrument to which the City is a party or by which the City is bound. This Agreement and the Notes constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforceability may be limited by general principles of equity which may permit the exercise of judicial discretion, and by bankruptcy, insolvency, moratorium, reorganization or similar laws relating to the enforcement of creditors' rights generally, now or after this date in effect.

Section 2.4 Litigation, Etc. There are no actions or proceedings pending against the City or affecting the City or, to the knowledge of the City, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the amount or timing of Pledged Revenues collected by the City, or which question the validity of this Agreement, the Notes or any of the other Loan Documents or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby. The City is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound.

Section 2.5 Financial Information. The financial information regarding the City furnished to the Bank by the City in connection with the Loans is complete and accurate as of its date.

ARTICLE III

COVENANTS OF THE CITY

Section 3.1 Affirmative Covenants. The City covenants, for so long as any of the principal amount of or interest on the Notes are outstanding and unpaid or any duty or obligation of the City under this Agreement or under any of the other Loan Documents remains unpaid or unperformed, as follows:

(a) **Use of Proceeds.** The City covenants that the proceeds of the Notes will be used only for the purposes described in the recitals of this Agreement and to pay closing costs. The City represents that, as of the date of issuance of the Notes, there are no other Notes or obligations of the City secured by the Pledged Revenues.

(b) **Notice of Defaults.** The City shall within ten (10) days after it acquires knowledge thereof, notify the Bank in writing upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Bank with such written notice, a detailed statement by a responsible officer of the City of all relevant facts and the action being taken or proposed to be taken by the City with respect thereto.

(c) **Records.** The City shall keep books and records with respect to the Loans and the Pledged Revenues in which complete and correct entries shall be made in accordance with generally accepted accounting principles. The City agrees that any and all public records of the City with respect to the Loans and the Pledged Revenues shall be open to inspection by the Bank or its representatives at all reasonable times at the offices of the City.

(d) **Notice of Liabilities.** The City shall promptly inform the Bank of any actual or potential contingent liabilities or pending or threatened litigation of any amount that could reasonably be expected to have a material and adverse effect upon the Pledged Revenues that would impact the ability of the City to perform its obligations under this Agreement.

(e) **Comply with Laws.** The City is in material compliance with and shall remain in material compliance with all federal, state and local laws and regulatory requirements the non-compliance with which could materially and adversely affect the performance of its obligations under this Agreement.

(f) **Insurance.** The City shall maintain such liability, casualty and other insurance as is reasonable and prudent for a similarly situated municipality and shall, upon request of the Bank, provide evidence of such coverage to the Bank.

(g) **Maintenance of Existence.** The City shall take all reasonable action within its control in order to maintain its existence as a municipal corporation of the State and shall not voluntarily dissolve.

Section 3.2 Bank Fees, Costs and Expenses. The City hereby agrees to pay the fees and expenses of counsel to the Bank in connection with the issuance of the Notes in the amount of \$[_____], said amount to be due and payable upon the issuance of the Notes. In addition to the amounts described above in this Section, the City agrees to pay any and all other reasonable and necessary amounts, charges and expenses which the Bank may pay or incur in connection with any amendment of this Agreement requested by the City or any waiver under this Agreement requested by the City upon receipt by the City of a written statement of any such amounts.

Section 3.3 Registration and Exchange of Notes; Persons Treated as Holder. So long as the Notes shall remain unpaid, the City will keep books for the registration and transfer of the Notes. The Notes shall be transferable only upon such registration books. The City will

transfer the registration of a Note upon written request of the Bank specifying the name, address and taxpayer identification number of the transferee.

The Person in whose name the Notes shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on the Notes shall be made only to or upon the written order of such Person. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Notes to the extent of the sum or sums so paid.

Section 3.4 Payment of Principal and Interest. The City promises that it will promptly pay the principal of and interest on the Notes at the place, on the dates and in the manner provided therein according to the true intent and meaning of this Agreement and thereof, provided that the principal of and interest on the Notes are secured solely as provided in Section 3.5 of this Agreement, and nothing in the Notes, the Note Resolution or this Agreement shall be construed as pledging any other funds or assets of the City to such payment.

The City shall make such payment of all amounts owed to the Bank under this Agreement and under the Notes in lawful currency of the United States no later than 2:00 p.m. (eastern time) on the date when due, in federal or other immediately available funds. Any payment received by the Bank after 2:00 p.m. shall be deemed to have been received by the Bank on the next succeeding Business Day. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the City and the amounts payable and paid from time to time under this Agreement. The failure to record any such amount shall not, however, limit, expand or otherwise affect the obligations of the City under this Agreement to repay all amounts owed under this Agreement, together with all interest accrued thereon at the interest rate applicable under the applicable Note.

THE NOTES SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF THE CONSTITUTION OF FLORIDA, BUT SHALL BE PAYABLE SOLELY FROM AND SECURED IN THE MANNER AND TO THE EXTENT PROVIDED IN SECTION 3.5. 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 SUCH NOTES OR THE INTEREST THEREON, NOR SHALL ANY HOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL AND INTEREST FROM ANY OTHER FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, ALL IN THE MANNER AND TO THE EXTENT HEREIN PROVIDED.

Section 3.5 Pledge of Revenues. The City hereby pledges, assigns and grants a security interest to the Holder or Holders of the Notes, as the case may be, in the Pledged Revenues in order to secure the payment of the principal of and interest on all of the Notes on a pari passu basis. The City covenants that for so long as the Notes are outstanding it shall take all lawful and necessary steps to qualify to continue to receive the Pledged Revenues. The City represents and warrants to the Holder that there are no other obligations of the City currently outstanding secured by the Pledged Revenues.

Section 3.6 [RESERVED].

Section 3.7 Prepayment. [Each Note is subject to optional prepayment upon five (5) Business Days written notice to the Holder of the Note, in whole or in part on any Business Day, at par, plus accrued interest to the date of prepayment. There shall be no prepayment fee, charge, premium or penalty for any optional prepayment of the Notes.]

Each prepayment of the Notes shall be made on such Business Day and in such principal amount as shall be specified by the City in the written notice of prepayment delivered by the City to the Holder. Notice having been given as aforesaid, the principal amount of the Notes stated in such notice shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on the principal amount then being paid. If on the prepayment date moneys for the payment of the Notes or portion of the Notes to be prepaid, together with interest to the prepayment date on such amount, shall have been paid to the Holder as above provided prior to 2:00 p.m. Eastern time on the prepayment date and if notice of prepayment shall have been given to the Holder as above provided, then from and after such date interest on the Notes or portion of the Notes so prepaid shall cease to accrue and the principal amount paid shall be deemed cancelled and no longer outstanding under this Agreement. If said moneys shall not have been so paid on the prepayment date, the Notes or portion of the Notes to have been prepaid shall continue to bear interest until payment thereof at the rate or rates provided for in this Agreement. Any payments made after 2:00 p.m. Eastern time shall be deemed made on the next succeeding Business Day.

In the event of a partial prepayment of the Notes pursuant to this Section, the amount prepaid shall be applied to satisfy the then remaining principal installments as directed by the City in such manner to preserve level monthly payments of principal and interest due by the City.

Section 3.8 Business Days. In any case where the due date of interest on or principal of the Notes is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day.

Section 3.9 Officers and Employees of the City Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Agreement or the Notes or for any claim based thereon or otherwise in respect thereof, shall be had against any Commissioner of the City, or any officer, agent or employee, as such, of the City past, present or future, it being expressly understood (a) that the obligation of the City under this Agreement and the Notes is solely a corporate one, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the City Commission, or the officers, agents, or employees, as such, of the City, or any of them, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such Commissioner of the City, and every officer, agent, or employee, as such, of the City under or by reason of the obligations, covenants or agreements contained in this Agreement, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Agreement and the issuance of the Notes on the part of the City.

Section 3.10 Notes Mutilated, Destroyed, Stolen or Lost. In case a Note or Notes shall become mutilated, or be destroyed, stolen or lost, the City shall issue and deliver a new Note or Notes of like tenor as the Note or Notes so mutilated, destroyed, stolen or lost, in exchange and in

substitution for such mutilated Note or Notes, or in lieu of and in substitution for the Note or Notes destroyed, stolen or lost and upon the Holder furnishing the City proof of ownership thereof and indemnity reasonably satisfactory to the City and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur. The Note or Notes so surrendered shall be canceled.

Section 3.11 [RESERVED].

Section 3.12 Tax Representations, Warranties and Covenants of the City.

Notwithstanding anything herein to the contrary, the City hereby covenants and represents that it has taken and caused to be taken and shall make and take and cause to be made and taken all actions that may be required of it for the interest on the Series 2022B Note to be and remain excluded from the gross income of the Holder for federal income tax purposes, and that to the best of its knowledge it has not taken or permitted to be taken on its behalf, and covenants that to the best of its ability and within its control, it shall not make or take, or permit to be made or taken on its behalf, any action which, if made or taken, would adversely affect such exclusion under the provisions of the Code.

The City acknowledges that the continued exclusion of interest on the Series 2022B Note from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Code. The City hereby acknowledges responsibility to take all reasonable actions necessary to comply with these requirements. The City hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Series 2022B Note or other funds of the City to be intentionally used, directly or indirectly, to acquire or to replace funds which were used directly or indirectly to acquire any higher yielding investments (as defined in Section 148 of the Code), the acquisition of which would cause the Series 2022B Note to be arbitrage notes for purposes of Sections 103(b)(2) and 148 of the Code. The City further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Sections 103(b)(2) and 148 of the Code are met.

Specifically, without intending to limit in any way the generality of the foregoing, the City covenants and agrees:

(a) to pay to the United States of America at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all non-purpose investments (as defined in Section 148(0)(6) of the Code) (other than investments attributed to an excess described in this sentence) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Series 2022B Note, plus any income attributable to such excess (the "Rebate Amount");

(b) to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code; and

(c) to comply with all representations and restrictions contained in any Tax Certificate executed by the City in connection with the Series 2022B Note.

The City understands that the foregoing covenants impose continuing obligations on it to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

Section 3.13 Additional Tax Covenants of the City. For so long as the Series 2022B Note remains outstanding, the City hereby covenants as follows:

(a) It will comply with, and timely make or cause to be made all filings required by, all effective rules, rulings or regulations promulgated by the Department of the Treasury or the Internal Revenue Service;

(b) It will not use, invest, direct or permit the investment of the proceeds of the Series 2022B Note or any investment earnings thereon in a manner that will result in such Note becoming private activity notes within the meaning of Sections 141 and 145 of the Code;

(c) It will not use or permit to be used more than ten percent (10%) of the proceeds of the Series 2022B Note (including any amounts used to pay costs associated with issuing such Notes), including all investment income earned on such proceeds directly or indirectly, in any trade or business carried on by any person who is not the City or a state or political subdivision or instrumentality thereof as those terms are used in Section 103 of the Code (an “Exempt Person”);

(d) It will not use or permit the use of any portion of the proceeds of the Series 2022B Note, including all investment income earned on such proceeds, directly or indirectly, to make or finance loans to persons who are not Exempt Persons;

(e) It has not entered into, and will not enter into, any arrangement with any Person (other than an Exempt Person) which provides for such Person to manage, operate, lease or provide services with respect to more than 10% of the loans financed with the proceeds of the Series 2022B Note (a “Service Contract”), unless the guidelines set forth in Revenue Procedure 97-13 (as modified and amplified by Revenue Procedure 2001-39 and Notice 2017-67), Revenue Procedure 2017-13 or such other authority as may control at the time (the “Guidelines”), are satisfied, except to the extent it obtains a private letter ruling from the Internal Revenue Service or an opinion of nationally recognized Note Counsel which allows for a variation from the Guidelines;

(f) It will not cause the Series 2022B Note to be treated as “federally guaranteed” for purposes of Section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to “federally guaranteed” obligations described in Section 149 of the Code. For purposes of this paragraph, the Notes shall be treated as “federally guaranteed” if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (ii) 5% or more of the proceeds of the Series 2022B Note will be (A) used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality

thereof, or (B) invested directly or indirectly in federally insured deposits or accounts, and (iii) such guarantee is not described in Section 149(b)(3) of the Code; and

(g) It will comply with the information reporting requirements of Section 149(e)(2) of the Code.

The terms “debt service,” “gross proceeds,” “net proceeds,” “proceeds,” and “yield” have the meanings assigned to them for purposes of Section 148 of the Code.

Section 3.14 [RESERVED].

Section 3.15 Interest Rates; Adjustment; Gross-Up.

(a) The City agrees to pay to the Bank interest on the Notes from the date of original issuance and delivery of the Notes until paid in full at an interest rate per annum (computed on the basis of a year of three hundred sixty (360) days consisting of twelve (12) thirty (30)-day months) equal to (i) [____]% per annum, in the case of the Series 2022A Note, and (ii) [____]% per annum, in the case of the Series 2022B Note.

(b) Upon the occurrence and during the continuance of an Event of Default under Section 8.1(a) of this Agreement, the Notes shall bear interest at the Default Rate.

(c) Upon the occurrence of a Determination of Taxability with respect to the Series 2022B Note, the interest rate on the Series 2022B Note (or the affected portion thereof) shall be adjusted to the Taxable Rate, as of and from the date such Determination of Taxability would be applicable (the “Accrual Date”). The City shall pay to the Holder on the next interest payment date, or any former holder, as may be appropriately allocated, an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on the Series 2022B Note (or the affected portion thereof) at the Taxable Rate from the Accrual Date to the date of the Determination of Taxability, and (B) the actual interest paid by the City on the Series 2022B Note (or the affected portion thereof) from the Accrual Date to the date of Determination of Taxability, and (2) any interest and penalties required to be paid as a result of any additional federal income taxes imposed upon the Holder and/or former holder arising as a result of such Determination of Taxability. From and after the date of the Determination of Taxability, the Series 2022B Note (or the affected portion thereof) shall continue to bear interest at the Taxable Rate for the period the Determination of Taxability continues to be applicable. This section shall survive payment of the Series 2022B Note until such time as the federal statute of limitations under which the interest on the Series 2022B Note could be declared taxable under the Code shall have expired.

(d) Notwithstanding the foregoing, in no event shall the interest rate on the Notes exceed the maximum rate permitted by law.

ARTICLE IV

CONDITIONS OF LENDING

Section 4.1 Conditions of Lending. The obligations of the Bank to lend under this Agreement are subject to the following conditions precedent:

(a) **No Default.** On the date of this Agreement the City shall be in compliance with all the terms and provisions set forth in the Loan Documents on its part to be observed or performed, and no Event of Default nor any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.

(b) **Supporting Documents.** On or prior to the date of this Agreement, the Bank shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Bank (such satisfaction to be evidenced by the purchase of the Notes by the Bank):

(i) The opinion of the City Attorney regarding the due authorization, execution, delivery, validity and enforceability of this Agreement and the Notes, the City's power to incur the debt evidenced by the Notes and the due adoption of the Note Resolution;

(ii) The approving opinion of Note Counsel in customary form;

(iii) An executed counterpart of this Agreement and the executed Notes;

(iv) A certified copy of the Note Resolution; and

(v) Such additional supporting documents as the Bank may reasonably request.

ARTICLE V

THE LOANS; CITY'S OBLIGATION; DESCRIPTION AND PAYMENT TERMS

Section 5.1 The Loans. The Bank hereby agrees to loan to the City the amount of \$[_____] to be evidenced by the Series 2022A Note, to provide funds to enable the City to pay the unpaid balance of the amount stipulated in the Settlement Agreement and to pay closing costs upon the terms and conditions set forth in the Note Resolution and in this Agreement. The Bank hereby agrees to loan to the City the amount of \$[_____] to be evidenced by the Series 2022B Note, to provide funds to enable the City to purchase certain municipal vehicles and to pay closing costs upon the terms and conditions set forth in the Note Resolution and in this Agreement. The City agrees to repay the principal amounts borrowed plus interest thereon, upon the terms and conditions set forth in the Loan Documents.

Section 5.2 Description of the Notes; Transferability. To evidence the Three Year Loan, the City shall issue and deliver to the Bank the Series 2022A Note in substantially the form attached hereto as Exhibit A. To evidence the Five Year Loan, the City shall issue and deliver to the Bank the Series 2022B Note in substantially the form attached hereto as Exhibit B. The Notes shall be dated the date of their original issuance and delivery, shall be issued as fully registered notes, shall be numbered AR-1 and BR-1, respectively, and shall each be in a single denomination equal to the total outstanding principal amount of each Note.

Each series of the Notes may only be transferred, assigned, distributed or sold in whole and a new Note or Notes of such series may be issued and authenticated under the restrictions as

provided herein. The Notes may only be transferred to an “accredited investor” under Regulation D promulgated under the Securities Act of 1933, as amended, or a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933, as amended; provided, however, the Bank may transfer the Notes to an affiliate of the Bank or its parent company without restriction. On or prior to original issuance and delivery of the Notes, the Bank shall execute and deliver to the City a lender letter of representations substantially in the form thereof attached hereto as Exhibit C. The Bank, and any subsequent transferee of the Notes, shall notify the City of any assignment, transfer, distribution or sale of the Notes, and place on file an executed lender letter of representations substantially similar to that delivered to the City by the Bank upon the original issuance and delivery of the Notes or otherwise in form and substance satisfactory to the City.

ARTICLE VI

CREATION AND USE OF FUNDS AND ACCOUNTS

Section 6.1 Note Fund. There is hereby created a fund, entitled “City of Hollywood, Florida, Electric Franchise Fee Revenue Notes, Series 2022 Note Fund” (the “Note Fund”). There shall be deposited into the Note Fund on each Note Payment Date sufficient amounts of Pledged Revenues as specified in Sections 3.5 of this Agreement which, together with the amounts already on deposit therein, will enable the City to pay the principal of and interest on the Notes due and payable on each Note Payment Date. Moneys in the Note Fund shall be applied on each Note Payment Date to the payment of principal of and interest on the Notes coming due on each such date.

Section 6.2 Loan Fund.

(a) There is hereby created a fund, entitled “City of Hollywood, Florida, Electric Franchise Fee Revenue Notes Loan Fund” (the “Loan Fund”), which shall consist of two separate accounts to be denominated, respectively, as the “Series 2022A Note Account” and the “Series 2022B Note Account.” Upon the original issuance and delivery of the Notes, there shall be deposited into the Series 2022A Note Account the proceeds of the Series 2022A Note, net of costs of issuance, and there shall be deposited into the Series 2022B Note Account the proceeds of the Series 2022B Note, net of costs of issuance. Pending disbursement, as described in subsection (b) and (c) below, any amounts and investments credited to the Note Fund shall be subject to a lien in favor of the Holders, which shall secure the payment of the principal of and the interest on the Notes.

(b) As soon as practicable after the deposit of the net proceeds of the Series 2022A Note into the Series 2022A Note Account, such moneys shall be applied by the City to pay the remaining balance due pursuant to the Settlement Agreement. After such payment is made there is not expected to be any additional moneys left on deposit in the Series 2022A Note Account and the Series 2022A Note Account shall be closed. To the extent of any money remaining in the Series 2022A Note Account, the City shall either apply any moneys remaining in the Series 2022A Note Account to the prepayment of the Series 2022A Note pursuant to the provisions of Section 3.7 of this Agreement or shall transfer such moneys to the Note Fund for application in the manner described in Section 6.1 of this Agreement.

(c) Subject to the requirements of Section 3.12 and 3.13 of this Agreement and the requirements of the Tax Certificate delivered by the City on the date of original issuance and delivery of the Series 2022B Note, the City may invest moneys credited to the Series 2022B Note Account in any investment permitted by law and City policy. Moneys in the Series 2022B Note Account, together with an investment earnings thereon, shall be applied to pay the purchase price of the municipal vehicles to be acquired with the proceeds of the Five Year Loan. The City either shall apply any moneys remaining in the Series 2022B Note Account upon acquisition of the municipal vehicles to the prepayment of the Series 2022B Note pursuant to the provisions of Section 3.7 of this Agreement or shall transfer such moneys to the Note Fund for application in the manner described in Section 6.1 of this Agreement.

(d) The City shall deposit all Pledged Revenues, as received, into its existing General Fund. The General Fund shall not constitute a trust fund under this Agreement and shall be excluded from the pledge and lien of this Agreement; provided, however, that the Pledged Revenues themselves are subject to the pledge and lien of this Agreement.

(e) Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts respectively. The money in such funds and accounts shall be continuously secured in the same manner as deposits of City funds are authorized to be secured by the laws of the State of Florida.

(f) The designation and establishment of the funds and accounts in and by this Agreement shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the City for the purposes herein provided and to establish certain priorities for application of such revenues and assets.

Section 6.3 Rebate Fund and Rebate Covenants. There is hereby created and established a fund to be held by the City, designated the “City of Hollywood, Florida, Electric Franchise Fee Revenue Note, Series 2022B Rebate Fund” (the “Rebate Fund”). The Rebate Fund shall be held by the City separate and apart from all other funds and accounts held by the City under this Agreement and from all other moneys of the City.

Notwithstanding anything in this Agreement to the contrary, the City shall transfer to the Rebate Fund the amounts required to be transferred in order to comply with the Tax Certificate or the Rebate Covenants attached as an Exhibit to the Tax Certificate to be delivered by the City on the date of delivery of the Series 2022B Note (the “Rebate Covenants”), when such amounts are so required to be transferred. The City Manager shall make or cause to be made payments from the Rebate Fund of amounts required to be deposited therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The City covenants for the benefit of the Holder of the Series 2022B Note that it will comply with the Rebate Covenants. The Rebate Fund, together with all moneys and securities from time to time held therein and all investment earnings derived therefrom, shall be excluded from the pledge and lien of this Agreement. The City shall not be required to comply with the requirements of this Section 6.3 in the event that the City obtains an opinion of Note Counsel that (i) such compliance is not required in order to maintain the federal income tax exemption of interest on the Note and/or (ii) compliance with

some other requirement is necessary to maintain the federal income tax exemption of interest on the Series 2022B Note.

ARTICLE VII

SPECIAL COVENANTS

Section 7.1 Financial Statements. Within two hundred and seventy (270) days after each Fiscal Year end, commencing with the Fiscal Year ended September 30, 2021, the City shall provide the Holder with a copy of its Comprehensive Annual Financial Report. The audited financial statements included in the City's Comprehensive Annual Financial Report shall be prepared in accordance with Chapter 10.550 of the Rules of the Florida Auditor General or the provisions of any successor statute or rule governing Florida local government entity audits.

The City shall adopt an annual budget as required by law. The City shall provide the Holder with a copy of its annual operating budget for each Fiscal Year not later than 45 days after the commencement of such Fiscal Year.

The City shall also provide to the Holder any other financial information reasonably requested by such Holder.

Section 7.2 Additional Parity Debt.

(a) The City shall not issue additional debt secured by a lien on the Pledged Revenues that is senior to the lien of the Notes. The City shall not issue additional debt secured by the Pledged Revenues on a parity with the Notes except as provided in Section 7.2(b) and (c) below.

(b) The City shall not issue additional debt secured by the Pledged Revenues on a parity basis with the Notes unless on the date of issuance of such additional debt the Debt Service Coverage Ratio on all Pledged Revenue Debt, including the additional debt then to be issued, is at least 1.25 to 1. The City shall notify the Bank in writing in advance of any such contemplated additional debt and shall submit to the Bank for review the terms and conditions of such additional debt.

(c) For purposes of this Section:

(1) "Maximum Annual Debt Service on All Pledged Revenue Debt" shall mean the maximum amount of principal and interest required in the then current or any future Fiscal Year to pay all Pledged Revenue Debt;

(2) "Pledged Revenue Debt" shall mean all debt obligations of the City, including the Notes, which are secured by the Pledged Revenues on a parity basis with Notes; and

(3) "Debt Service Coverage Ratio" shall mean the ratio of (i) the amount of Pledged Revenues in the most recently ended Fiscal Year of the City for which

audited financial statements of the City are available, to (ii) the Maximum Annual Debt Service on All Pledged Revenue Debt.

For purposes of calculating Maximum Annual Debt Service on All Pledged Revenue Debt, the interest rate to be assumed for indebtedness bearing interest at a variable rate shall be equal to the greater of (i) the average rate of interest paid by the City with respect to such indebtedness during the twelve (12) months preceding the date of calculation, or (ii) ____% per annum.

(d) So long as the Notes are outstanding, any other obligations secured by the Pledged Revenues that are not issued or incurred in accordance with Section 7.2(b) and (c) shall be incurred only if such obligations are junior, inferior and subordinate in all respects to the Notes, as to lien on and source and security for payment from the Pledged Revenues.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.1 General. An “Event of Default” shall be deemed to have occurred under this Agreement, unless waived by the Bank, if:

(a) The City shall fail to make any payment of the principal of or interest on the Notes after the same shall become due and payable; or

(b) The City shall default in the due and punctual performance of any other covenants, conditions, agreements or provisions contained in the Notes or in this Agreement on the part of the City to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Lender; provided, however, that if the City shall proceed to take such curative action which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty (30) days, then such period shall be increased to such extent as shall be necessary to enable the City to diligently complete such curative action not to exceed an additional sixty (60) days; or

(c) Any representation or warranty made in writing by the City in any Loan Document or in any certificate, financial or other statement furnished pursuant to this Agreement shall prove to have been untrue or incomplete in any material respect on the date made and such untrue or incomplete representation or warranty has a material adverse impact on the Pledged Revenues or on the ability of the City to perform its obligations under this Agreement; or

(d) The City admits in writing insolvency or bankruptcy or its inability or failure generally to pay its debts as they become due, or makes an assignment for the benefit of its creditors or applies for or consents to the appointment of a trustee, custodian or receiver for itself; or

(e) The appointment of a trustee in bankruptcy, custodian or receiver for the City or all or part of its property and failure to obtain a dismissal, stay or other nullification of such within ninety (90) days after such appointment; or

(f) The institution of bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, by or against the City (other than bankruptcy proceedings instituted by the City against third parties), and, if instituted against the City, allowance against the City or consent by the City to such proceedings or failure to obtain dismissal, stay or other nullification within ninety (90) days after such institution; or

(g) The City shall default in the due and punctual payment of performance of covenants under any obligation for the payment of money to the Bank or any subsidiary or affiliate of the Bank; or

(h) Failure of the City to remove any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations.

Section 8.2 Effect of Event of Default. Except as otherwise provided in the Notes, upon the occurrence of any Event of Default, the Bank, in its sole discretion, may seek enforcement of and exercise all remedies available to it under the Note Resolution, the Act and any other applicable law.

Should the City default in any obligation created by this Agreement or the Notes, the Bank may, in addition to any other remedies set forth in this Agreement or the Notes, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted or contained in this Agreement, and may enforce and compel the performance of all duties required by this Agreement or by any applicable statutes to be performed by the City or by any officer thereof.

Upon the occurrence of an Event of Default, the Bank may recover from the City all expenses reasonably incurred by it including, without limitation, reasonable attorneys' fees at all levels of the proceedings, whether incurred in connection with collection, bankruptcy proceedings or otherwise.

Upon the occurrence and during the continuance of an Event of Default under Section 8.1(a) of this Agreement, the Notes shall bear interest at the Default Rate.

ARTICLE IX

MISCELLANEOUS

Section 9.1 No Waiver; Cumulative Remedies. No failure or delay on the part of the Bank in exercising any right, power, remedy under this Agreement, or under the Notes or other Loan Documents shall operate as a waiver of the Bank's rights, powers and remedies under this Agreement, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy under this Agreement or under the Notes. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 9.2 Amendments and Waivers. No amendment or waiver of any provision of this Agreement nor consent to any departure by the City from any such provision shall in any event

be effective unless the same shall be in writing and signed by the Bank and the City. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the event any agreement contained in this Agreement should be breached by the City and thereafter waived by the Bank, or breached by the Bank and thereafter waived by the City, such waiver shall be limited to the particular breach so waived for the specific period set out in such waiver and such waiver shall not constitute a waiver of such breach for any other period and shall not waive any other or similar breach under this Agreement.

Section 9.3 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 9.4 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections of this Agreement, and this Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

Section 9.5 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the City in connection herewith shall be in full force and effect from the date of this Agreement and shall continue in effect until as long as the Notes are outstanding.

Section 9.6 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to:

If to the City:

Wazir Ishmael, Ph.D., City Manager
City of Hollywood
2600 Hollywood Boulevard
Hollywood, Florida 33022
Email: wishmael@hollywoodfl.org

If to the Bank:

or to such other address as either party may have specified in writing to the other using the procedures specified above in this Section 9.6.

Section 9.7 Applicable Law. For purposes of this Agreement, Florida law shall govern the terms of this Agreement. Venue shall be in Broward County, Florida.

Section 9.8 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The City shall have no rights to assign any of their rights or obligations under this Agreement without the prior written consent of the Bank.

Section 9.9 Conflict. In the event any conflict arises between the terms of this Agreement and the terms of any other Loan Document, the terms of this Agreement shall govern in all instances of such conflict.

Section 9.10 No Third-Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no Person not a party hereto shall have any rights or privileges under this Agreement.

Section 9.11 Entire Agreement. Except as otherwise expressly provided, this Agreement and the other Loan Documents embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter of this Agreement.

Section 9.12 Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of carrying out the transactions contemplated by this Agreement.

Section 9.13 Construction. The parties acknowledge that they have carefully reviewed this Agreement and understand its contents and agree that this Agreement shall not be construed more strongly against either party, regardless of who is responsible for its preparation.

Section 9.14 Participations. The City acknowledges and agrees that upon its consent, which consent shall not be unreasonably withheld, the Bank may participate portions of its obligations under this Agreement (the "Participated Obligations") to other financial institutions. The City further acknowledges and agrees that upon any such participation, the Participants will become owners of a pro rata portion of the Participated Obligations. Notwithstanding any such participation, the Bank remains obligated in all respects, in accordance with the terms of this Agreement. The Bank agrees to notify the City of the identity of any proposed Participant, and the City shall have the right to consent to any such Participant's participation in the Participated Obligations, which consent shall not be unreasonably withheld. If within five (5) Business Days after such written notice is given by the Bank, the City fails to respond to the Bank with respect to such participation, the City shall be deemed to have consented thereto.

Section 9.15 WAIVER OF JURY TRIAL. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF THIS AGREEMENT OR THE OTHER FINANCING DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER FINANCING DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.16 Patriot Act. The Bank 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 Bank to identify the City in accordance with the Patriot Act.

Section 9.17. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of the Notes), the City acknowledges and agrees, that: (a) (i) the City has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) the City is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the Notes, (iii) the Bank is not acting as a municipal advisor or financial advisor to the City, and (iv) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the City with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank has provided other services or is currently providing other services to the City on other matters); (b) (i) the Bank is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the City or any other person and (ii) the Bank has no obligation to the City, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the Notes; and (c) the Bank may be engaged in a broad range of transactions that involve interests that differ from those of the City, and the Bank has no obligation to disclose any of such interests to the City. This Agreement and the Notes are entered into pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq, to the extent that such rules apply to the transactions contemplated hereunder.

Section 9.18. Marketing. The City acknowledges and agrees that the Bank shall be permitted to use information related to the Notes in connection with marketing, press releases or other transactional announcements or updates provided to investors or trade publications, including, but not limited to, the placement of the logo of the Bank or other identifying name on marketing materials or of “tombstone” advertisements in publications of Bank’s choice at Bank’s expense.

Section 9.19 Incorporation by Reference. By virtue of its submission of the Proposal in response to the City’s Solicitation XXXX, and by its execution of this Agreement, the Lender is deemed to have made the representations and certifications required by the subsections in Section 2 of Solicitation XXXX entitled “Public Entity Crimes,” “Scrutinized Company,” and

“Discriminatory Vendor List” and such representations and certifications are hereby incorporated into this Agreement as if fully set forth herein.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date first set forth above.

CITY OF HOLLYWOOD, FLORIDA

By:
JOSH LEVY
MAYOR

ATTEST:

PATRICIA A. CERNY, MMC
CITY CLERK

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

DOUGLAS R. GONZALES
CITY ATTORNEY

[BANK]

By:

[SIGNATURE PAGE FOR LOAN AGREEMENT BETWEEN CITY OF HOLLYWOOD AND [_____]]

EXHIBIT A

[FORM OF SERIES 2022A NOTE]

\$_[_____]

CITY OF HOLLYWOOD, FLORIDA

ELECTRIC FRANCHISE FEE REVENUE NOTE, TAXABLE SERIES 2022A

KNOW ALL MEN BY THESE PRESENTS that the City of Hollywood, Florida (the “City”), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of [_____], or registered assigns (hereinafter, the “Bank” or the “Holder”), the principal sum of \$[_____], together with interest on the principal balance outstanding at the rate of [____]% per annum (as the same may be adjusted pursuant to the requirements of Section 3.15 of the Agreement mentioned hereinafter), based upon a year of 360 days of twelve 30-day months for the actual number of days elapsed.

Principal of and interest on this Note is payable in lawful money of the United States of America in federal or other immediately available funds at such place as the Bank may designate to the City.

The principal on this Note shall be due and payable on February 1, May 1, August 1, and November 1 of each year (each, a “Note Payment Date”), beginning August 1, 2022, through and including May 1, 2025 (the “Maturity Date”) in the amounts set forth on the payment schedule attached hereto.

Interest on this Note shall be due and payable on each Note Payment Date, beginning August 1, 2022, to, but not including, the Maturity Date. The entire unpaid principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on the Maturity Date. All payments by the City pursuant to this Note shall apply first to accrued interest and the balance thereof shall apply to the principal sum due.

This Note is subject to optional prepayment upon five (5) Business Days’ written notice to the Holder of the Note, in whole or in part on any Business Day, at par, plus accrued interest to the date of prepayment, without any prepayment fee, charge, premium or penalty, all as more particularly set forth in Section 3.7 of the Agreement.

Upon any partial prepayment, including optional prepayments and scheduled amortization payments, the amortization of this Note will be recalculated continually to reflect the outstanding principal amount in the manner described in Section 3.7 of the Agreement.

This Note is issued pursuant to (i) Resolution No. R-[2022-_____] duly adopted by the City Commission of the City on [_____] , 2022 (the “Note Resolution”) for the purpose of paying the remaining balance of the amount stipulated in the Settlement Agreement, dated October 2, 2019, between the City and the Board of Trustees of the City of Hollywood Employees Retirement Fund and paying costs of issuance, and (ii) a Loan Agreement, dated of even date herewith, between the City and the Bank (the “Agreement”), and is subject to all the terms and

conditions of the Agreement. All terms, conditions and provisions of the Agreement are by this reference thereto incorporated herein as a part of this Note. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

In the Agreement, the City has pledged, assigned and granted a security interest to the Holder in the Pledged Revenues to secure the principal of and interest on the Notes. "Pledged Revenues" means the Electric Franchise Fee Revenues received by the City from the electric service franchise granted by the City to Florida Power & Light Company pursuant to Ordinance No. O-2003-19 enacted by the City Commission of the City on July 16, 2003, as the same may be amended.

Reference is hereby made to the Agreement for the provisions, among others, relating to the terms, lien and security of this Note, the custody and application of the proceeds of this Note, the rights and remedies of the Holder of this Note, and the extent of and limitations on the City's rights, duties and obligations, to all of which provisions the Holder of this Note for himself and his successors in interest assents by acceptance of this Note.

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 HOLDER OF THIS NOTE THAT SUCH HOLDER 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 FOR THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST ON THIS NOTE OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE AGREEMENT.

It is further agreed between the City and the Holder of this Note that neither the members of the City Commission of the City nor any person executing the Notes shall be liable personally on the Note by reason of its issuance.

This Note may be exchanged or transferred by the Bank, but subject to the limitations set forth in Section 5.2 of the Agreement and only upon the registration books maintained by the City in the manner provided in the Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Hollywood, Florida has caused this Note to be executed in its name by the manual signature of its Mayor, and attested by the manual signature of its Clerk and its corporate seal or a facsimile thereof affixed hereto, all as of this [____] day of [____], 2022.

CITY OF HOLLYWOOD, FLORIDA

By: _____
Josh Levy, Mayor

[SEAL]

ATTEST:

By: _____
Patricia A. Cerny, Clerk

APPROVED AS TO FORM AND
LEGALITY, for the Use and Reliance of the
City of Hollywood, Florida, only:

Douglas R. Gonzales, 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.

Date:

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 particulate, 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:

Notice:

Date:

Assignee:

By:

Title:

PRINCIPAL PAYMENT SCHEDULE

AMORTIZATION SCHEDULE

EXHIBIT B

FORM OF SERIES 2022B NOTE

\$[_____]

**CITY OF HOLLYWOOD, FLORIDA
ELECTRIC FRANCHISE FEE REVENUE NOTE, SERIES 2022B**

KNOW ALL MEN BY THESE PRESENTS that the City of Hollywood, Florida (the “City”), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of [_____], or registered assigns (hereinafter, the “Bank” or the “Holder”), the principal sum of \$[_____], together with interest on the principal balance outstanding at the rate of [_____] % per annum (as the same may be adjusted pursuant to the requirements of Section 3.15 of the Agreement mentioned hereinafter), based upon a year of 360 days of twelve 30-day months for the actual number of days elapsed.

Principal of and interest on this Note is payable in lawful money of the United States of America in federal or other immediately available funds at such place as the Bank may designate to the City.

The principal on this Note shall be due and payable on February 1, May 1, August 1, and November 1 of each year (each, a “Note Payment Date”), beginning August 1, 2022, through and including May 1, 2027 (the “Maturity Date”) in the amounts set forth on the payment schedule attached hereto.

Interest on this Note shall be due and payable on each Note Payment Date, beginning August 1, 2022, to, but not including, the Maturity Date. The entire unpaid principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on the Maturity Date. All payments by the City pursuant to this Note shall apply first to accrued interest and the balance thereof shall apply to the principal sum due.

This Note is subject to optional prepayment upon five (5) Business Days’ written notice to the Holder of the Note, in whole or in part on any Business Day, at par, plus accrued interest to the date of prepayment, without any prepayment fee, charge, premium or penalty, all as more particularly set forth in Section 3.7 of the Agreement.

Upon any partial prepayment, including optional prepayments and scheduled amortization payments, the amortization of this Note will be recalculated continually to reflect the outstanding principal amount in the manner described in Section 3.7 of the Agreement.

This Note is issued pursuant to (i) Resolution No. R-[2022-_____] duly adopted by the City Commission of the City on [_____,] 2022 (the “Note Resolution”) for the purpose of financing the cost of acquisition of municipal vehicles and paying costs of issuance, and (ii) a Loan Agreement, dated of even date herewith, between the City and the Bank (the “Agreement”), and is subject to all the terms and conditions of the Agreement. All terms, conditions and provisions of the Agreement are by this reference thereto incorporated herein as a part of this Note. Terms

used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

In the Agreement, the City has pledged, assigned and granted a security interest to the Holder in the Pledged Revenues to secure the principal of and interest on the Notes. "Pledged Revenues" means the Electric Franchise Fee Revenues received by the City from the electric service franchise granted by the City to Florida Power & Light Company pursuant to Ordinance No. O-2003-19 enacted by the City Commission of the City on July 16, 2003, as the same may be amended.

Reference is hereby made to the Agreement for the provisions, among others, relating to the terms, lien and security of this Note, the custody and application of the proceeds of this Note, the rights and remedies of the Holder of this Note, and the extent of and limitations on the City's rights, duties and obligations, to all of which provisions the Holder of this Note for himself and his successors in interest assents by acceptance of this Note.

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 HOLDER OF THIS NOTE THAT SUCH HOLDER 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 FOR THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST ON THIS NOTE OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE AGREEMENT.

It is further agreed between the City and the Holder of this Note that neither the members of the City Commission of the City nor any person executing the Notes shall be liable personally on the Note by reason of its issuance.

This Note may be exchanged or transferred by the Bank, but subject to the limitations set forth in Section 5.2 of the Agreement and only upon the registration books maintained by the City in the manner provided in the Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Hollywood, Florida has caused this Note to be executed in its name by the manual signature of its Mayor, and attested by the manual signature of its Clerk and its corporate seal or a facsimile thereof affixed hereto, all as of this [____] day of [____], 2022.

CITY OF HOLLYWOOD, FLORIDA

By: _____
Josh Levy, Mayor

[SEAL]

ATTEST:

By: _____
Patricia A. Cerny, Clerk

APPROVED AS TO FORM AND
LEGALITY, for the Use and Reliance of the
City of Hollywood, Florida, only:

Douglas R. Gonzales, City Attorney

FORM OF ASSIGNMENT

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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:

Notice:

Date:

Assignee:

By:

Title:

PRINCIPAL PAYMENT SCHEDULE

AMORTIZATION SCHEDULE

EXHIBIT C
FORM OF LENDER LETTER OF REPRESENTATIONS

[_____], 2022

City of Hollywood
2600 Hollywood Boulevard
Hollywood, Florida 33020

City of Hollywood, Florida
Electric Franchise Fee Revenue Note, Series 2022A and Electric Franchise Fee Revenue Note,
Series 2022B (collectively, the “**Series 2022 Notes**”)

Ladies and Gentlemen:

_____ (the “Lender”) hereby certifies as follows with regard to the Loan Agreement, dated April 13, 2022 (the “Loan Agreement”), by and between the Lender and the City of Hollywood, Florida (the “City”) and the Series 2022 Notes:

1. The Lender has full power and authority to carry on its business as now conducted, deliver this letter and make the representations and certifications contained herein.

2. The Lender is a _____ that regularly extends credit to state and local governments by making loans the repayment obligations under which are evidenced by obligations such as the Series 2022 Notes; has knowledge and experience in financial and business matters that make it capable of evaluating the City and the risks associated with the extension of credit evidenced by the Series 2022 Notes; and has the ability to bear the economic risk of extending the credit evidenced by the Series 2022 Notes. The Lender is not acting as a broker, dealer, municipal securities underwriter, municipal advisor or fiduciary in connection with its extension of credit evidenced by the Series 2022 Notes.

3. The Lender has conducted its own investigation of the financial condition of the City, the purposes for which the Series 2022 Notes are being executed and delivered and of the security for the payment of the principal of and interest on the Series 2022 Notes, and has obtained such information regarding the Series 2022 Notes and the City and its operations, financial condition and financial prospects as the Lender deems necessary to make an informed decision with respect to its extension of credit evidenced by the Series 2022 Notes.

4. The Lender is extending credit to the City evidenced by the Series 2022 Notes and is acquiring the Series 2022 Notes for its own loan account and without any present intention of distributing, assigning, or selling any interest therein or portion thereof, provided that the Lender retains the right at any time to dispose of the Series 2022 Notes or any interest therein or portion thereof, but agrees that any such sale, transfer or distribution by the Lender shall be made, in accordance with applicable law and the provisions of the Loan Agreement, and related documents. The Lender and its assignees further retain the right to sell or assign participation interests in the Series 2022 Notes to (a) an affiliate of the Lender, or (b) one or more financial institutions, provided that any participation, custodial or similar agreement under which multiple ownership

interests in the Series 2022 Notes are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees to act on their behalf with respect to the rights and interests of the registered owner of the Series 2022 Notes, including with respect to the exercise of rights and remedies of the registered owner on behalf of such owners upon the occurrence of an event of default under the Series 2022 Notes.

5. The Lender acknowledges that (a) the Series 2022 Notes (i) have not been registered under the Securities Act of 1933, as amended, (ii) have not been registered or otherwise qualified for sale under the securities laws of any state, and (iii) will not be listed on any securities exchange and (b) there is no established market for the Series 2022 Notes and that none is likely to develop. The Lender understands and acknowledges that (a) the Series 2022 Notes are not intended to be a security, (b) the Lender will treat the Series 2022 Notes as a loan and not a security for accounting purposes, and (c) the Series 2022 Notes will neither be assigned a CUSIP number nor made DTC eligible.

6. The Lender is acting solely for its own account and not as a fiduciary for the City or in the capacity of broker, dealer, placement agent, municipal securities underwriter, municipal advisor, or fiduciary. The Lender has not provided, and will not provide, financial, legal (including securities law), tax, accounting, or other advice to or on behalf of the City (including to any financial advisor engaged by the City) with respect to the structuring or delivery of the Series 2022 Notes. The Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the City with respect to the transactions relating to the structuring or delivery of the Series 2022 Notes and the discussions, undertakings, and procedures leading thereto. The City has sought and shall seek and obtain financial, legal (including securities law), tax, accounting, and other advice (including as it relates to structure, timing, terms, and similar matters and compliance with legal requirements applicable to it) with respect to the Series 2022 Notes from its own financial, legal, tax, and other advisors (and not from the undersigned or its affiliates) to the extent that the City desires to, should, or needs to obtain such advice. The Lender expresses no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party or the correctness of any legal interpretation made by counsel to any other party with respect to any such matters. The transactions between the City and the Lender are arm's-length, commercial transactions in which the Lender is acting and has acted solely as a principal and for its own interest, and the Lender has not made recommendations to the City with respect to the transactions relating to the Series 2022 Notes.

Very truly yours,

_____, as Lender

By: _____

Name: _____

Title: _____