

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE ISSUANCE OF CAPITAL IMPROVEMENT REVENUE BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF FINANCING (A) THE COSTS OF ACQUIRING, CONSTRUCTING AND INSTALLING CAPITAL PROJECTS FOR THE BENEFIT OF THE CITY OF HOLLYWOOD, AND (B) REFUNDING PRIOR OBLIGATIONS ISSUED BY OR ON BEHALF OF THE CITY, AND PAYING ALL OTHER COSTS NECESSARY OR INCIDENTAL THERETO; PROVIDING FOR THE TERMS AND PAYMENT OF SUCH BONDS; PROVIDING FOR THE RIGHTS, SECURITY AND REMEDIES OF THE HOLDERS THEREOF; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AUTHORIZING THE PROPER OFFICIALS OF THE CITY OF HOLLYWOOD TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

**RESOLUTION NO. R-2016-\_\_\_\_\_**

**CITY OF HOLLYWOOD, FLORIDA**  
Capital Improvement Revenue Bonds

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**CAPITAL IMPROVEMENT REVENUE  
BOND RESOLUTION**

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Adopted February 3, 2016

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WHEREAS, the City of Hollywood, Florida, a Florida municipal corporation (the "City") is authorized by Chapter 166, Florida Statutes, Chapter 202, Florida Statutes, Chapter 212, Florida Statutes, Chapter 218, Florida Statutes, and other applicable provisions of Florida law to incur indebtedness for the purpose of financing and refinancing the costs of acquiring, constructing and installing capital projects for the benefit of the residents of the City and all other costs necessary or incidental thereto (each, a "Project"); and

WHEREAS, the City may issue its indebtedness in the form of bonds payable from lawfully available Half-Cent Sales Tax Revenues (as defined herein) and lawfully available Simplified Communications Tax Revenues (as defined herein), and to the extent of any Debt Service Funding Deficiency (as defined herein), from lawfully available Non-Ad Valorem Revenues (as defined herein) budgeted and appropriated therefor in each year in accordance with the Act (as defined herein); and

WHEREAS, as additional security for the payment of the principal of and interest on the Bonds (as defined herein), the City may cause to be delivered a bond insurance policy, letter of credit, guaranty, surety bond or other agreement pursuant to which the issuer thereof will agree to make available funds for the timely payment of the principal of and interest on all or a portion of the Bonds; and

WHEREAS, the City Commission of the City of Hollywood, Florida (the "Governing Body"), hereby finds it necessary and in the best interest of the City to authorize the issuance from time to time of its Capital Improvement Revenue Bonds, to be issued in one or more series (the "Bonds") for the purpose of financing the costs of acquiring, constructing, and installing Projects (or to refund indebtedness previously issued by or for the benefit of the City) and all costs necessary or incidental thereto, to pay the costs of issuance of such Bonds, and if deemed necessary, to fund a reserve and the costs of a Credit Facility (as defined herein); and

WHEREAS, the Bonds authorized under this Resolution will be payable from Half-Cent Sales Tax Revenues and Simplified Communications Tax Revenues and are permitted to be issued under the terms of this Resolution; and

WHEREAS, to the extent Half-Cent Sales Tax Revenues and Simplified Communications Tax Revenues are insufficient to pay debt service on the Bonds, the Bonds will be payable from Non-Ad Valorem Revenues, subject and subordinate to the payment from the sources of Non-Ad Valorem Revenues pledged thereto of the principal of and interest on any other obligations heretofore or hereafter issued which have a prior pledge on any source of Non-Ad Valorem Revenues and are permitted to be issued under the terms of this Resolution;

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

ARTICLE I  
DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01. Definitions. Unless the context indicates otherwise all terms used in this Resolution shall have the following meanings:

“Accreted Value” shall mean, as of any date of computation with respect to any capital appreciation bond authorized by a Supplemental Resolution, the amount set forth as of such date in such Supplemental Resolution authorizing such capital appreciation bond plus, with respect to matters related to the payment upon redemption or other payment of such capital appreciation bond, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the accreted value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve 30-day months.

“Accrued Aggregate Debt Service” shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series of Bonds Outstanding, calculating the accrued Debt Service with respect to each Series at an amount equal to the sum of (i) interest on the Bonds of such Series accrued and unpaid and to accrue to the date of calculation, and (ii) principal payments due and unpaid and that portion of the principal for such Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such period.

“Act” shall mean the Constitution and laws of the State of Florida, including particularly, Chapter 166, Florida Statutes, Chapter 202, Florida Statutes, Chapter 212, Florida Statutes, Chapter 218, Florida Statutes, the City Charter, the City of Hollywood Code of Ordinances and other applicable provisions of law.

“Alternate Credit Facility” shall mean any Alternate Credit Facility issued pursuant to Section 8.02 of this Resolution.

“Authorized Denominations” shall mean, with respect to any Series of Bonds issued hereunder, denominations of \$5,000 or any integral multiple thereof, except as may be otherwise provided in the Supplemental Resolution authorizing such Series.

“Beneficial Owner” shall mean, other than with respect to Section 2.11 of this Resolution, during any period the Bonds are registered under the Book-Entry System, any purchaser of a Bond and others who acquire a beneficial ownership interest in a Bond held by the Securities Depository. In determining the Beneficial Owner of any Bond, the City, the Paying Agent, the Registrar and the Credit Facility Issuer, if any, may rely exclusively upon written representations made, and information given to the City, the Paying Agent, the Registrar or the Credit Facility Issuer, as the case may be,

by the Securities Depository or its Participants with respect to any Bond held by the Securities Depository in which a beneficial ownership interest is claimed. With respect to Replacement Bonds, the City, the Paying Agent, the Registrar, and the Credit Facility Issuer, if any, shall consider the owner of any such Replacement Bond as registered on the registration books of the City maintained by the Registrar to be the Beneficial Owner thereof. "Beneficial Owner" shall mean, for purposes of Section 2.11 of this Resolution only, unless otherwise required by law, any person who (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

"Bond Counsel" shall mean an attorney at law or firm of attorneys selected by the City of nationally-recognized experience in matters pertaining to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions.

"Bondholder" or "Holder" or "Owner" or any similar term shall mean any person who shall be the registered owner of any Bond or Bonds Outstanding under the terms of this Resolution.

"Bond Insurance Policy" shall mean an insurance policy issued for the benefit of the Holders of any Bonds, pursuant to which the Bond Insurer shall be obligated to pay when due the scheduled payment of principal of and interest on such Bonds to the extent of any deficiency in the amounts in the funds and accounts created under this Resolution, in the manner and in accordance with the terms provided in such Bond Insurance Policy.

"Bond Insurer" shall mean the issuer of a Bond Insurance Policy with respect to the Bonds, or any successor thereto or assignee thereof.

"Bonds" shall mean the City of Hollywood, Florida Capital Improvement Revenue Bonds authorized to be issued pursuant to this Resolution, which Bonds may be issued at one time or from time to time in more than one Series. The Series designation shall be provided in the Supplemental Resolution authorizing such Series.

"Book-Entry System" shall mean the system under which the City may (but shall not be required to) issue the Bonds of a particular Series and maintain the registration for such Bonds in book-entry only form.

"Business Day" shall mean any day, except a Saturday or Sunday, on which commercial banks located in New York, New York, and the cities in which the principal offices of the Registrar, the Paying Agent, and the Credit Facility Issuer, if any, in the United States of America, if any, are located are not required or authorized by law to remain closed and on which the New York Stock Exchange is not closed.

"Chief Financial Officer" shall mean the chief financial officer of the City as defined in Section 218.403, Florida Statutes.

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

“City Charter” shall mean the Charter of the City, as amended and supplemented.

“City Moneys” shall mean the moneys budgeted and appropriated by the City, and deposited into the Sinking Fund or any other fund or account established hereunder (other than the Rebate Fund), from Non-Ad Valorem Revenues pursuant to the City’s covenant to budget and appropriate Non-Ad Valorem Revenues contained in Section 3.02 of this Resolution.

“Clerk” shall mean the City Clerk of the City or any Deputy City Clerk of the City.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the United States 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 rulings.

“Cost” or “Cost of the Project” with respect to a Series Project, shall mean the City’s costs properly attributable to the construction, improvement, extension, acquisition, or installation thereof, including but not limited to, the cost of acquisition by or for the City of real or personal property or other interest therein, including, but not limited to, easements and rights-of-way, costs of physical construction, and costs of the City incidental to such construction, improvement, extension, acquisition or installation, the cost of any indemnity and surety bonds and premiums on allowed insurance during construction for on-site and off-site improvements, interest on the Bonds prior to, during and for not exceeding one year after the completion of such Project, engineering, architectural and project management expenses, legal fees and expenses, costs of audits, fees and expenses of the fiduciaries and financial consultants and costs of financing, administrative and general overhead, including the costs of any Credit Facility and/or Reserve Account Credit Facility for the Bonds, the costs of issuing the Bonds, the costs of keeping accounts and making reports required by this Resolution or any Supplemental Resolution prior to commencement of operation of such Project, payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the City (other than the Bonds) incurred for such Project, costs of machinery, equipment and supplies, and such other expenses as may be necessary for, or incidental to, the acquisition and construction of such Project or incurred by the City in connection with the issuance of the Bonds (including, if so permitted by an Opinion of Bond Counsel, reimbursement to the City for any such items of cost theretofore paid by or on behalf of the City).



“Credit Facility Agreement” shall mean an agreement, if any, between the City and a Credit Facility Issuer pursuant to which a Credit Facility is issued.

“Credit Facility” or “Credit Facilities” shall mean, either individually or collectively, as appropriate, any Bond Insurance Policy, surety bond, Letter of Credit, line of credit, guaranty, or such other instrument or instruments that would enhance the credit of the Bonds or a Series thereof. The term Credit Facility shall not mean a Reserve Account Credit Facility.

“Credit Facility Issuer” shall mean the provider of a Credit Facility.

“Date of Issue” shall mean the date any Series of Bonds are first authenticated and delivered pursuant to this Resolution or any Supplemental Resolution.

“Debt Service” for any period shall mean, as of any date of calculation and with respect to any Series of Bonds Outstanding, an amount equal to the sum of (i) interest accruing during such period on the Outstanding Bonds of such Series, except to the extent that such interest is to be paid from deposits made from Bond proceeds into the Principal and Interest Account in the Sinking Fund and (ii) that portion of each principal payment for such Series which would accrue during such period if such principal payment were deemed to accrue daily in equal amounts from the next preceding principal payment due date for such Series (or, if there shall be no such preceding principal payment, from a date one year preceding the due date of such principal payment or from the Date of Issue of the Bonds of such Series, whichever date is later). Such interest and principal payments for such Series shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each principal payment on the due date thereof. The term “principal payment,” as used above in this definition, shall include any payment of principal on a Bond whether at maturity or upon earlier redemption.

“Debt Service Funding Deficiency” means an insufficiency, whether projected or actual, in the amount of the Pledged Revenues to be received or actually received in a given Fiscal Year to pay the Debt Service on the Bonds due and payable in such Fiscal Year.

“Debt Service Reserve Requirement” shall mean the amount required to be on deposit in the subaccount of the Debt Service Reserve Account to be created and established under the Supplemental Resolution with respect to each Series of Bonds issued hereunder, which amount shall equal the lesser of (a) one hundred twenty-five percent (125%) of the average annual amount of Debt Service on such Series of Bonds Outstanding for the then current Fiscal Year or any future Fiscal Year, (b) ten percent (10%) of the aggregate stated original principal amount of such Series of Bonds, provided however that in determining such amount for purposes of this clause (b) the issue price of such Series (net of pre-issuance accrued interest) shall be substituted for the original stated principal amount if the Bonds of such Series are sold at either an original issue discount or premium exceeding two percent (2%) of its stated redemption

price at maturity, and (c) the maximum annual aggregate amount of Debt Service on such Series of Bonds Outstanding for the then current Fiscal Year or any future Fiscal Year. All or a portion of such Debt Service Reserve Requirement may be satisfied by obtaining a Reserve Account Credit Facility with the requisite coverage. Amounts on deposit in each subaccount of the Debt Service Reserve Account shall only secure the Series of Bonds to which such subaccount relates. Notwithstanding the foregoing, the City may determine by Supplemental Resolution authorizing any Series of Bonds issued hereunder that such Series will not have a Debt Service Reserve Requirement or that the Debt Service Reserve Requirement will be less than that hereinabove set forth.

“Defeasance Obligations” shall mean, to the extent permitted by law and (other than with respect to the obligations described in clause (a) below) acceptable to the Credit Facility Issuer if the principal of and interest on the defeased Bonds is secured by a Credit Facility and such Credit Facility Issuer is not in default under such Credit Facility:

(a) Government Obligations which are not callable prior to maturity except by the holder thereof;

(b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations of the character described in clause (a) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate, and (iii) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate;

(c) evidences of ownership of proportionate interests in future interest and principal payments on obligations described in (a) held by a bank or trust company as custodian; and

(d) with respect to a particular Series of Bonds the entire principal of and interest on which is secured by a Credit Facility, a guaranteed investment contract issued or guaranteed by the Credit Facility Issuer of such Credit Facility.

“Deposit Day” means the last Business Day of each month.

“Event of Default” as used herein shall have the meaning specified in Section 6.01 hereof.

“Favorable Opinion of Bond Counsel” means, with respect to any action the occurrence of which requires such an opinion, an Opinion of Bond Counsel to the effect that such action is permitted under the Act and this Resolution and will not adversely affect the excludability of the interest on the Bonds to which such action relates (other than the Taxable Bonds) from gross income for federal income tax purposes.

“Fitch” shall mean Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Registrar and the Paying Agent.

“Fiscal Year” shall mean that period commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as may be prescribed by law.

“Governing Body” shall mean the City Commission of the City of Hollywood, Florida.

“Government Obligations” shall mean negotiable direct obligations of, or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

“Half-Cent Sales Tax Revenues” means the revenues received by the City from the levy of the half-cent sales tax authorized under Chapter 218, Part VI, Florida Statutes, as amended, or any successor provisions thereto.

“Interest Payment Dates” shall mean such dates as established by Supplemental Resolution for the payment of interest or principal on each Series of the Bonds.

“Investment Obligations” shall mean any of the following obligations or securities to the extent permitted by law:

- (a) Government Obligations;
- (b) Obligations of the federal farm credit banks; the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates (“FHLMCs”); the Federal Home Loan Bank or its district banks; or obligations guaranteed by the Government National Mortgage Association (“GNMAs”);
- (c) Obligations of Fannie Mae, including Fannie Mae participation certificates and mortgage pass-through certificates guaranteed by Fannie Mae (“Fannie Mae’s”);

(d) Interest bearing time deposits or savings accounts in banks organized under the laws of the State of Florida, in national banks organized under the laws of the United States of America and doing business in and situated in the State of Florida, in savings and loan associations that are under State of Florida supervision, or in federal savings and loan associations located in the State of Florida and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law;

(e) Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, as amended from time to time, provided the portfolio of such investment company is limited to Government Obligations and to repurchase agreements fully collateralized by such Government Obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian;

(f) Units of participation in the Local Government Surplus Funds Trust Fund or the Florida Counties Investment Trust;

(g) Short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the three (3) highest classifications established by at least two (2) Rating Agencies and which mature not later than 180 days from the date of purchase, and (ii) such purchases do not exceed ten percent (10%) of the corporation's outstanding obligations;

(h) Variable rate securities within categories (a) through (c) above, provided that the rate is tied to the interest rate paid on United States Treasury securities or an index thereof;

(i) Repurchase agreements collateralized by Government Obligations, GNMA's, Fannie Maes or FHLMC's with any registered broker/dealer subject to the Securities Investors' Protection Corporation's jurisdiction or any commercial bank insured by the Federal Deposit Insurance Corporation, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed obligation rated "P-1" or "A3" or better by Moody's, and "A-1" or "A-" or better by S&P, provided:

(i) a master repurchase agreement or specific written repurchase agreement governs the transaction; and

(ii) the securities are held free and clear of any lien by the City or an independent third party acting solely as agent ("Agent") for the City, and such third party is (1) a Federal Reserve Bank, (2) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50,000,000, or (3) a bank approved in writing for such purpose by the Credit Facility Issuer, if any, and the City shall

have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the City; and

(iii) a perfected first security interest under the Uniform Commercial Code, or book-entry procedures prescribed at 31 C.F.R. 306.1, et seq., or 31 C.F.R. 350.0, et seq., in such securities is created for the benefit of the City; and

(iv) the repurchase agreement has a term of 180 days or less, and the City or the agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and

(v) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%; and

(j) With respect to investments that secure or are related to a particular Series of Bonds, any other investment authorized under the laws of the State of Florida and designated in the Supplemental Resolution authorizing such Series or as otherwise approved by the City and the Credit Facility Issuer with respect to such Series.

“Letter of Credit” shall mean any Credit Facility consisting of an unconditional, irrevocable letter of credit issued by a financial institution.

“Maximum Debt Service” shall mean, at any time, the maximum amount required in the then-current or any future Fiscal Year to pay all Outstanding Bonds and any proposed indebtedness of the City for which any Half-Cent Sales Tax Revenues or Simplified Communications Tax Revenues will be pledged.

“Maximum Interest Rate” shall mean the maximum interest rate allowable by applicable law.

“Mayor” shall mean the Mayor or Vice Mayor of the Governing Body, or in their absence, any other member of the Governing Body.

“Moody’s” shall mean Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Registrar and the Paying Agent.

“Non-Ad Valorem Revenues” shall mean legally available revenues of the City derived from any source whatever, other than ad valorem taxation on real and personal property, which are legally available for payment by the City of Debt Service on the Bonds, after the payment from the sources of Non-Ad Valorem Revenues pledged thereto of the principal of and interest on any obligations of the City heretofore or

hereafter issued which have a prior pledge on any source of the Non-Ad Valorem Revenues. For purposes of this Resolution, fees imposed by the City in connection with new construction, which fees are used to pay for the cost of new facilities and equipment, the need for which is in whole or in part the result of such new construction (commonly referred to as “impact fees”), are not considered legally available.

“Opinion of Bond Counsel” shall mean an opinion signed by Bond Counsel.

“Outstanding” when used as of any particular time with reference to the Bonds, shall mean all Bonds theretofore authenticated and delivered by the Registrar under this Resolution except:

(a) Bonds theretofore canceled by the Registrar or surrendered to the Registrar for cancellation;

(b) Bonds for the payment or redemption of which money or securities in the necessary amount (as provided in Article V hereof) shall have heretofore been deposited with the Paying Agent or other financial institution or bank selected by the City (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, unconditional notice of such redemption shall have been given as provided in Section 2.05 hereof or provision satisfactory to the Paying Agent or other financial institution or bank selected by the City shall have been made for the giving of such notice; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Registrar pursuant to the terms of Section 2.09 hereof.

“Participants” shall mean brokers, dealers, banks and other financial institutions and other persons for whom, from time to time, the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

“Paying Agent” shall mean the City or a commercial bank or trust company designated as such in the Supplemental Resolution authorizing each Series of Bonds issued hereunder.

“Pledged Revenues” shall mean (a) Half-Cent Sales Tax Revenues and Simplified Communications Tax Revenues deposited into the Revenue Fund, the Sinking Fund or any other fund established hereunder pursuant to Section 3.05, (b) any proceeds of Bonds originally deposited with the City and all moneys deposited and held from time to time by the City in the funds (other than the Rebate Fund) and accounts established under this Resolution in each case until applied in accordance with this Resolution, (c) investment income received by the City in the funds (other than the Rebate Fund) and accounts established under this Resolution, and (d) any other moneys received by the Paying Agent in connection with repayment of the Bonds.

“Project” shall mean, collectively, the Series Projects.

“Rating Agency” or “Agencies” shall mean each nationally recognized securities rating agency, which shall have a rating then in effect with respect to the Bonds.

“Rebate Amount” shall mean the excess of the future value, as of the computation date, of all receipts on all nonpurpose investments (as defined in Section 1.148-1(b) of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by the Income Tax Regulations under the Code implementing Section 148 thereof.

“Rebate Year” shall mean, with respect to each Series of Bonds, a one-year period (or shorter initial period from the Date of Issue of such Series) that ends at the close of business on the day in the calendar year selected by the City as the last day of a Rebate Year. The final Rebate Year, however, shall end on the date of final maturity of such Series of Bonds.

“Record Date” shall mean the fifteenth day of the calendar month next preceding any Interest Payment Date; provided, however, that if such day is not a Business Day then the next preceding Business Day.

“Registrar” shall mean the City or a commercial bank or trust company designated as such in the Supplemental Resolution authorizing each Series of Bonds issued hereunder.

“Replacement Bonds” shall mean certificated Bonds, authenticated and delivered pursuant to the terms and provisions of this Resolution, if the City or the Securities Depository discontinues the Book-Entry System.

“Reserve Account Credit Facility” shall mean the insurance policy, surety bond or other evidence of insurance acceptable to the City and the Credit Facility Issuer, if any, or Letter of Credit, acceptable to the City and the Credit Facility Issuer, if any, deposited in the Debt Service Reserve Account in lieu of or in substitution for cash or securities on deposit therein as provided in Section 3.07 hereof.

“Reserve Account Credit Facility Issuer” shall mean the issuer of any Reserve Account Credit Facility with respect to a Series of the Bonds, or any successor thereto or assignee thereof.

“Resolution” shall mean this Resolution as the same may from time to time be amended and supplemented in accordance with the terms hereof.

“S&P” shall mean Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Registrar and the Paying Agent.

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities Depository” shall mean The Depository Trust Company and its successors and assigns, or a successor clearing agency designated pursuant to the terms and provisions of this Resolution and its successors and assigns.

“Serial Bonds” shall mean those Bonds which shall be designated as Serial Bonds by Supplemental Resolution, the principal of which shall be payable at their stated maturity.

“Series” shall mean all of the Bonds authenticated, issued and delivered at one time under and pursuant to the terms of this Resolution or any Supplemental Resolution and identified as a separate series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the terms and provisions of this Resolution, regardless of variations in maturity, interest rate or other provisions.

“Series Project” shall mean the Project identified in the Supplemental Resolution authorizing each Series of Bonds issued hereunder and facilities and improvements necessary and appurtenant thereto both on-site and off-site, as modified from time to time in accordance with the provisions hereof. The Series Project established on a Date of Issue may be changed or substituted, so long as such change or substitution would not cause the City to be in violation of this Resolution, the applicable Supplemental Resolution, or (other than with respect to a Series of Taxable Bonds) the Tax Certificate executed in connection with the issuance of the applicable Series of Bonds.

“Simplified Communications Tax Revenues” means the revenues received by the City from the levy of the simplified communications tax authorized under Chapter 202, Florida Statutes, as amended, and Section 105.20(A) of the City of Hollywood Code of Ordinances or any successor provisions thereto.

“Supplemental Resolution” shall mean the resolution or resolutions of the Governing Body setting forth the details of each Series of Bonds issued hereunder.

“Tax Certificate” shall mean the Arbitrage and Tax Certificate executed by the City on the Date of Issue of each Series of Bonds, as such Tax Certificate may be amended from time to time.

“Taxable Bonds” means any Series of Bonds the interest on which is not intended to be excludable from gross income of the Holders thereof for federal income tax purposes, as set forth in the applicable Supplemental Resolution.

“Term Bond” shall mean those Bonds which shall be designated as Term Bonds by Supplemental Resolution and which are subject to mandatory redemption by amortization installments.

“Written Consent,” “Written Demand,” “Written Direction,” “Written Election,” “Written Notice,” “Written Orders” and “Written Request of the City” shall mean,



respectively, a written consent, demand, direction, election, notice, order or request signed on behalf of the Governing Body by its Chief Financial Officer.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Section 1.02. Authority for this Resolution. This Resolution is adopted pursuant to the Act.

Section 1.03. Resolution Constitutes Contract. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the City and such Owners and the covenants and agreements herein set forth to be performed by said City shall be for the equal benefit, protection, and security of the Owners of any and all of such Bonds, all of which shall be of equal rank and without preference, priority, or distinction of any of the Bonds over any other thereof except as expressly provided therein and herein.

## ARTICLE II AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 2.01. Authorization of Bonds. Subject and pursuant to the provisions of this Resolution, obligations of the City to be known as "Capital Improvement Revenue Bonds" are hereby authorized to be issued from time to time in one or more Series for the purpose of financing and refinancing the costs of acquiring, constructing, equipping and installing all or a portion of the Project, including refunding any indebtedness issued or incurred by or on behalf of the City. The Bonds authorized by this Resolution may be issued all at one time or in part, from time to time, as the Governing Body may in its discretion hereafter determine by Supplemental Resolution. Each Series of Bonds shall be issued in such aggregate principal amount (initial principal amount in the case of capital appreciation bonds or the price to the public in the case of zero coupon, discount bonds, or premium bonds), designated as, and shall be distinguishable from, the Bonds of all other Series, as provided by Supplemental Resolution. Notwithstanding the foregoing, any Series of Bonds issued hereunder subsequent to the first Series of Bonds issued hereunder must meet the requirements of Section 3.09(b).

Section 2.02. Interest on Bonds. The Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for (unless no interest has been paid or duly provided for, in which case from the original dated date of the Bonds) until payment of the principal thereof shall have been made or

provided for in accordance with the provisions hereof, whether at maturity, upon redemption or otherwise. Unless otherwise set forth in the Supplemental Resolution authorizing the issuance of one or more Series of Bonds with respect to all or a portion of the Bonds authorized by such Supplemental Resolution, interest accrued on the Bonds shall be computed on the basis of a 360 day year, consisting of twelve (12) thirty day months. Interest shall be payable as provided herein on each Interest Payment Date.

Section 2.03. Manner of Payment of Bonds. (a) Principal of and redemption premium, if any, on the Bonds shall be payable to the Owners of the Bonds upon presentation and surrender of the Bonds as they become due (except as may be otherwise provided by Supplemental Resolution) at the designated principal corporate trust office of the Paying Agent (or, if the City is serving as Paying Agent, the address provided to such Owner by the City). Except as otherwise set forth below, interest on the Bonds shall be payable (i) by check drawn upon the Paying Agent and mailed on the Interest Payment Date to the Owners of the Bonds as of the close of business on the Record Date next preceding each Interest Payment Date at the registered addresses of such Owners as they shall appear on the registration books as of such Record Date, notwithstanding the cancellation of any Bond upon any exchange or transfer thereof subsequent to the Record Date and prior to such Interest Payment Date, and (ii) upon the request and at the expense of a registered Bondholder of at least \$1,000,000 in principal amount of Bonds, all payments of interest on its Bonds shall be paid by wire transfer in immediately available funds to an account with a financial institution within the United States designated by such registered Bondholder and on file with the Paying Agent as of the applicable Record Date. All payments of principal, redemption premium, if any, and interest shall be made in such coin or currency of the United States of America as, at the respective times of payment, shall be legal tender for the payment of public and private debts.

(b) If and to the extent that there shall be a default in the payment of the interest due on an Interest Payment Date, such defaulted interest shall be paid to the Owners in whose name the Bonds (or any Bond or Bonds issued upon transfer or exchange thereof) are registered at the close of business on the fifteenth Business Day next preceding the date of payment of such defaulted interest established by notice mailed by the Registrar to the Owners not less than the tenth day preceding such Interest Payment Date.

(c) The foregoing notwithstanding, any Series of Bonds may be registered under the Book-Entry System, as shall be determined by subsequent proceedings of the Governing Body; and, in such case, the payment of principal of, redemption premium, if any, and interest on the Bonds shall be made in the manner required by the Securities Depository and mutually agreeable to the City and Paying Agent.

Section 2.04. Description of Bonds. The Bonds of each Series shall be in the form set forth in the form of Bond attached hereto as Exhibit A, with such modifications as may be set forth in the Supplemental Resolution authorizing such Series; and shall be issued in the form of fully registered bonds; shall be dated as specified by

Supplemental Resolution; shall bear interest from such date as calculated herein at such rates not exceeding the Maximum Interest Rate; shall be lettered and shall be numbered in such manner as may be prescribed by the Registrar or as specified by Supplemental Resolution; and shall be in Authorized Denominations.

Notwithstanding the foregoing, the Bonds may be issued as Serial Bonds or Term Bonds, may bear a variable rate of interest or accrue interest as zero coupon bonds or capital appreciation bonds, as specified by the Supplemental Resolution authorizing the particular Series of Bonds.

The Bonds of each Series shall be subject to redemption prior to maturity as determined by Supplemental Resolution.

Section 2.05. Notice of Redemption.

(a) In the event any of the Bonds are called for redemption, the Paying Agent shall give notice, in the name of the City, of the redemption of such Bonds, which notice shall (i) specify the Bonds, including Series designation, to be redeemed, the CUSIP numbers, the Date of Issue, interest rate, maturity dates of the Bonds redeemed, the redemption date, the date of notice of redemption, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the designated corporate trust office of the Paying Agent or of its agent or, if the City is serving as Paying Agent, the address of the City, including the name and telephone number of a representative of such Paying Agent) and, if less than all of a maturity of the Bonds is to be redeemed, the numbers of the Bonds, and the portions of a maturity of Bonds, so to be redeemed, and (ii) state that on the redemption date, the Bonds to be redeemed shall cease to bear interest.

Notice of redemption shall be given by the Paying Agent in the name of the City by mailing a copy of an official redemption notice not less than 30 days nor more than 60 days prior to the date fixed for redemption (i) by first class mail to the respective Owners of the Bonds designated for redemption at their addresses appearing on the bond registration books of the City maintained by the Registrar; provided that such notice shall be sent by certified mail, return receipt requested, to the Bondholders of \$1,000,000 or more in aggregate principal amount; (ii) by certified mail, return receipt requested, to the Securities Depository, and (iii) by certified mail, return receipt requested, to at least two nationally recognized information services. Notwithstanding the foregoing, with respect to clause (ii) notice shall be given two (2) Business Days prior to the date notice of redemption is mailed to the Bondholders.

A second notice of redemption shall be given within 60 days after the redemption date in the manner required above to the registered Bondholders of redeemed Bonds which have not been presented for payment within 30 days after the redemption date. However, failure to give such notice shall not affect the validity of the redemption of the Bonds for which proper notice has been given as provided in the preceding paragraph.

Notwithstanding anything herein to the contrary, notice of optional redemption under this Section may be conditioned upon the occurrence or nonoccurrence of such event or events as shall be specified in the notice of optional redemption and may also be subject to rescission by the City if expressly set forth in such notice.

Anything contained in this Resolution to the contrary notwithstanding, failure to mail any such notice (or any defect therein) to one or more Bondholders shall not affect the validity of any proceedings for such redemption with respect to Bondholders to which notice was duly mailed hereunder.

The City may, in the Supplemental Resolution authorizing a Series of Bonds hereunder, provide for notice of redemption provisions for such Series different from those set forth above.

(b) Any Bonds which have been duly selected for redemption and for which funds have been set aside with the Paying Agent or another depository for the payment thereof as well as any Bonds which are deemed to be paid in accordance with Article V hereof shall cease to bear interest on the specified redemption date.

Section 2.06. Payment of Redemption Price. For the redemption of any of the Bonds, the City shall cause to be deposited in the Redemption Account of the Sinking Fund an amount sufficient to pay the principal of Bonds to be redeemed and interest to become due on the date fixed for such redemption, plus premium, if any.

Section 2.07. Execution and Authentication of Bonds. The Bonds shall be executed in the name of the City by the signature of the Mayor and its official seal shall be affixed thereto or lithographed, impressed, imprinted or otherwise reproduced thereon and attested by the Clerk. The signatures of said Mayor and Clerk on the Bonds may be manual or facsimile signatures. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the City by such person who at the actual time of the execution of such Bond shall hold the proper office, although at the date such Bonds shall be actually delivered, such person may not have held such office or may not have been so authorized.

The Bonds shall bear thereon a certificate of authentication, in the form set forth in the form of the Bond attached hereto as Exhibit A, executed manually by the Registrar. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Registrar. Such certificate of the Registrar upon any Bond executed on behalf of the City shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Resolution and that the Owner thereof is entitled to the benefits of this Resolution.

Section 2.08. Negotiability, Registration, and Transfer of Bonds. At the option of the Holder thereof and upon surrender thereof at the designated corporate trust office of the Registrar (or if the City is serving as Registrar, the address provided to such Holder by the City) with a written instrument of transfer satisfactory to the Registrar duly executed by the Holder or his duly authorized attorney and upon payment by such Holder of any charges which the Registrar may make as provided in this Section, the Bonds may be exchanged for Bonds of the same Series in the same aggregate principal amount, interest rate and maturity of any other authorized denominations.

The Registrar shall keep books for the registration of Bonds and for the registration of transfers of Bonds. The Bonds shall be transferable by the Holders thereof in person or by his attorney duly authorized in writing only upon the registration books of the City kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond, the City shall issue in the name of the transferee a new Bond or Bonds.

The City, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute Holder of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, redemption premium, if any, and interest on such Bond as the same become due and for all other purposes. All such payments so made to any such Holder or upon his or her order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Registrar and canceled by the Registrar in the manner provided in this Section. There shall be no charge for any such exchange or transfer of Bonds, but the City or the Registrar may require the payment of a sum sufficient to pay any tax, fee, or other governmental charge (other than a governmental charge imposed by the City) required to be paid with respect to such exchange or transfer. Neither the City nor the Registrar shall be required (a) to transfer or exchange Bonds during any period from a Record Date to the next succeeding Interest Payment Date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a Term Bond is redeemed or defeased, the City shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Term Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such Term Bond so surrendered, a Term Bond in the appropriate Authorized Denomination, interest rate and maturity.

All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Registrar when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the City, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Registrar, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the City and the other executed certificate shall be retained by the Registrar.

The City may, by Supplemental Resolution, provide for the registration of the Bonds of any Series by adopting a Book-Entry System for the same. Bonds held by the Securities Depository while the Bonds are registered under the Book-Entry System shall be registered in the name of the Securities Depository or its nominee, and beneficial ownership of such Bonds shall be transferred in accordance with the procedures of the Securities Depository and its Participants.

Section 2.09. Bonds Mutilated, Destroyed, Stolen, or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the City may in its discretion cause to be executed, and the Registrar shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen, or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the City and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City and the Registrar may prescribe and paying such expenses as the City and the Registrar may incur. All Bonds so surrendered shall be canceled by the City. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen, or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.09 shall constitute original, additional contractual obligations on the part of the City whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds issued hereunder.

Section 2.10. Preparation of Definitive Bonds; Temporary Bonds. The text of the Bonds and Certificate of Authentication therefor shall be substantially in the form set forth in Exhibit A attached hereto. Until the definitive Bonds are prepared, the Mayor and the Clerk may execute and the Registrar may authenticate, in the same manner as is provided in Section 2.07, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more printed, lithographed or typewritten temporary fully registered Bonds, of the same tenor as the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in Authorized Denominations, and with such omissions, insertions and variations as may be appropriate to such temporary Bonds. The City, at its own expense, shall prepare and execute and, upon the surrender at the designated corporate trust office of the

Registrar of such temporary Bonds for which no payment or only partial payment has been provided, for exchange and the cancellation of such temporary Bonds, the Registrar shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, at the principal designated corporate trust office of the Registrar, definitive Bonds of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution.

Section 2.11. Book-Entry System.

(a) As long as any Series of Bonds is registered under the Book-Entry System, the City and the Registrar shall comply with the terms of the agreement entered into with the Securities Depository (the “Book-Entry Agreement”) with respect to such Series. However, the Book-Entry System through the Securities Depository may be terminated upon the happening of any of the following:

(i) The Securities Depository or the City, based upon advice from the Securities Depository, advises the Registrar that the Securities Depository is no longer willing or able to properly discharge its responsibilities under the Book-Entry Agreement, and the Registrar and the City are unable to locate a qualified successor clearing agency satisfactory to the Registrar and the City; or

(ii) The City, in its sole discretion but with the prior written consent of the Registrar, which shall not be unreasonably withheld, elects to terminate the Book-Entry System by notice to the Securities Depository, the Registrar and the Credit Facility Issuer, if any.

(b) Upon the occurrence of any event described above, the City and the Registrar shall, if necessary, enter into a resolution supplemental to this Resolution to add to the provisions of this Resolution any provisions deemed reasonably necessary or required by the Registrar, and approved in writing by the Credit Facility Issuer, if any, with respect to Replacement Bonds (including, but not limited to, the provision for the cost and expenses for the printing thereof) and to account for the fact that, thereafter, the Bonds will no longer be registered under the Book-Entry System, and the Registrar shall notify the Securities Depository and the Credit Facility Issuer, if any, of the occurrence of such event and of the availability of definitive or temporary Replacement Bonds to Beneficial Owners requesting the same, in an aggregate Outstanding amount representing the interest of each such Beneficial Owner, making such adjustments and allowances as it may find necessary or appropriate as to accrued interest and previous payments of principal. Definitive Replacement Bonds shall be issued only upon surrender to the Registrar of the Bond of each maturity by the Securities Depository, accompanied by registration instructions for the definitive Replacement Bonds for such maturity from the Securities Depository for each such maturity. Neither the City nor the Registrar shall be liable for any delay in delivery of such instructions and conclusively may rely on, and shall be protected in relying on, such instructions.

(c) Whenever the Bonds are registered under the Book-Entry System and notice or other communication to the Bondholders is required under this Resolution, unless and until Replacement Bonds shall have been issued with respect to the Bonds, the City or the Registrar, as the case may be, shall give to the Securities Depository one copy of each such notice and communication specified herein or required by this Resolution to be given to the Beneficial Owners of the Bonds.

Section 2.12. Special Provisions Relating to Capital Appreciation Bonds.

(a) The principal and interest portions of the Accreted Value of any Bond issued as a capital appreciation bond becoming due at maturity or by virtue of mandatory redemption shall be included in the calculations of accrued and unpaid and accruing interest or principal made under the definitions of Debt Service and Accrued Aggregate Debt Service only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value becomes so due, and the principal and interest portions of such Accreted Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date.

(b) For the purposes of (i) receiving payment of the redemption price if a capital appreciation bond is redeemed prior to maturity, or (ii) computing the principal amount of Bonds held by the Holder of a capital appreciation bond in giving any notice, consent, request, or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a capital appreciation bond shall be deemed to be its then current Accreted Value.

ARTICLE III  
FUNDS AND APPLICATION THEREOF, SECURITY AND COVENANTS

Section 3.01. Bonds shall be Special Obligations of the City. (a) The Bonds are special obligations of the City and are payable solely in the manner and to the extent set forth in this Resolution. There are hereby pledged for the payment of the principal of, redemption premium, if any, and interest on, the Bonds in accordance with the terms and the provisions of this Resolution, the Pledged Revenues, and solely to the extent that the Pledged Revenues are insufficient to pay debt service on the Bonds, the City Moneys. THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OF THE CITY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF FLORIDA BUT SHALL BE PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED REVENUES AND THE CITY MONEYS IN THE MANNER AND TO THE EXTENT PROVIDED IN THIS RESOLUTION. NO BONDHOLDER 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 BONDS OR THE INTEREST THEREON, NOR SHALL ANY BONDHOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL OR INTEREST FROM ANY OTHER FUNDS OF THE CITY OTHER THAN AS PROVIDED IN THIS RESOLUTION. FURTHERMORE, NO BONDHOLDER SHALL EVER HAVE A LIEN ON THE PROJECT OR ANY OTHER REAL OR PERSONAL PROPERTY OF THE CITY, EXCEPT FOR THE PLEDGED



REVENUES AND THE CITY MONEYS. The Reserve Account Credit Facility Issuer, if any, shall also have a lien upon and a pledge of the Pledged Revenues and the City Moneys but such lien and pledge is subject and subordinate to, in all respects, the lien upon and pledge of the Pledged Revenues and the City Moneys in favor of the Bondholders.

(b) Until the Bonds are no longer Outstanding pursuant to the provisions of this Resolution, the City covenants (i) to do all things necessary or required on its part by the Act or otherwise to entitle the City to receive the Half-Cent Sales Tax Revenues and the Simplified Communications Tax Revenues, (ii) to exercise all legally available remedies to enforce such receipt now or hereafter available under law, and (iii) not to take any action or enter into any agreement that shall result in impairing or reducing the level of Half-Cent Sales Tax Revenues or Simplified Communications Tax Revenues.

(c) The payment of principal of, redemption premium, if any, and interest on a Series of Bonds may, in addition to the Pledged Revenues and the City Moneys herein described, be secured by a Credit Facility.

Section 3.02. Covenant to Budget and Appropriate. (a) Until the Bonds are no longer Outstanding pursuant to the provisions of this Resolution, the City hereby covenants that if during the preparation of the City's annual budget for any Fiscal Year, it is projected that a Debt Service Funding Deficiency will exist during such Fiscal Year, then the City shall appropriate in its annual budget for such Fiscal Year, by amendment if necessary, Non-Ad Valorem Revenues in amounts sufficient to cure the Debt Service Funding Deficiency and, if applicable, to restore any deficiency in the Debt Service Reserve Account or any other fund or account created and established hereunder for the Bonds (including, without limitation, through reimbursement of a Reserve Account Credit Facility Issuer).

(b) Not later than 60 days prior to each Interest Payment Date, the City shall review the amount of Pledged Revenues and City Moneys received to date or projected to be received prior to the next succeeding Interest Payment Date. If, based on such review, the City determines that a Debt Service Funding Deficiency is expected to exist in connection with such next succeeding Interest Payment Date, the City shall immediately amend its annual budget for such Fiscal Year and shall budget and appropriate pursuant to the provisions of subsection (a) of this Section 3.02, an amount of Non-Ad Valorem Revenue sufficient to cure such Debt Service Funding Deficiency. The Non-Ad Valorem Revenues so budgeted and appropriated shall be deposited into the Principal and Interest Account of the Sinking Fund not later than 12:00 Noon on the last Business Day before the Interest Payment Date in question, as provided in Section 3.05 hereof.

(c) Notwithstanding the foregoing covenant of the City, the City has not covenanted to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues other than such services or programs which are for essential public purposes affecting the health, welfare, and safety of the inhabitants of the City.

(d) To the extent that the City is in compliance with the covenants contained above and in Section 3.09(b), this Resolution and the obligations of the City contained herein shall not be construed as a limitation on the ability of the City to pledge or covenant with respect to the Non-Ad Valorem Revenues (or any portion thereof) for other indebtedness or other legally permissible purposes.

(e) This covenant to budget and appropriate Non-Ad Valorem Revenues is not a pledge by the City of such Non-Ad Valorem Revenues and is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into, including the payment of debt service on bonds or other obligations. This covenant to budget and appropriate is subject to the provisions of Section 166.241(2), Florida Statutes, which provides, in part, that in the budget for each Fiscal Year, the amount available from taxation and other sources must equal the total appropriations for expenditures and reserves. This covenant does not require the City to levy and collect any particular source of Non-Ad Valorem Revenues nor to maintain or increase any regulatory fees or user charges with respect to any particular source of Non-Ad Valorem Revenues. This covenant does not give the Paying Agent a prior claim on such Non-Ad Valorem Revenues as opposed to claims of general creditors of the City until such time as a deposit of such Non-Ad Valorem Revenues is made into the Sinking Fund or other fund hereunder for the purposes of this Resolution.

Section 3.03. Establishment of Funds and Accounts. There are hereby created and established with the City the following Funds: (1) the Revenue Fund (the "Revenue Fund"), (2) the Sinking Fund (the "Sinking Fund"), (3) the Rebate Fund (the "Rebate Fund"), and (4) the Project Fund (the "Project Fund"). Within the Sinking Fund there shall be created the following separate accounts: (a) a Principal and Interest Account (the "Principal and Interest Account"), (b) a Bond Redemption Account (the "Bond Redemption Account"), and (c) a Debt Service Reserve Account (the "Debt Service Reserve Account"). Within the Debt Service Reserve Account, there shall be established a separate subaccount for each Series of Bonds that has a Debt Service Reserve Requirement. Within the Rebate Fund, there shall be established separate accounts for each Series of Bonds if determined to be necessary by Bond Counsel to preserve the exclusion of the interest on the Bonds (other than Taxable Bonds) from gross income for federal income tax purposes. The Revenue Fund, Sinking Fund and the Project Fund, and all accounts and subaccounts therein, shall constitute trust funds for the purposes hereof.

Section 3.04. Application of Bond Proceeds. The proceeds received upon issuance of each Series of Bonds shall be deposited into the various funds and accounts created and established for the Bonds as follows:

(a) The accrued interest, if any, derived from the sale of a Series of Bonds shall be deposited into the Principal and Interest Account of the Sinking Fund and used for the purpose of paying a part of the first interest payable on such Series of Bonds on the first Interest Payment Date after the Date of Issue of such Series.

(b) An amount equal to all or a portion of the Debt Service Reserve Requirement for each Series, if any, as set forth in the Supplemental Resolution authorizing such Series, shall be deposited in the corresponding subaccount of the Debt Service Reserve Account of the Sinking Fund. If less than the Debt Service Revenue Requirement for a Series is deposited in a subaccount of the Debt Service Reserve Account from the proceeds of the Bonds of a Series on the Date of Issue, the balance of such requirement shall be satisfied by the deposit of a Reserve Account Credit Facility with the Paying Agent with the requisite coverage.

(c) The amount designated pursuant to the Supplemental Resolution authorizing such Series, together with any other moneys lawfully available therefor, shall be used to refund such prior obligations issued by or on behalf of the City as set forth in such Supplemental Resolution.

(d) The remaining proceeds of the Bonds shall be deposited in the Project Fund to fund the Cost of the Project, including costs of issuance of the Bonds, as hereinafter provided.

#### Section 3.05. Application of Revenues.

(a) The City covenants that it shall deposit as soon as reasonably practicable after receipt from the State of Florida to the credit of the Revenue Fund the portion of the Pledged Revenues comprised of Half-Cent Sales Tax Revenues and Simplified Communications Tax Revenues received by the City. Moneys in the Revenue Fund shall be applied as required by this Section 3.05 and, pending such application, shall be subject to a lien in favor of the Holders of the Bonds issued and Outstanding hereunder and for the further security of such Holders until paid out or withdrawn as herein provided.

(b) On or before 12:00 Noon on each Deposit Day, the City shall transfer from the Revenue Fund to the Sinking Fund an amount of Pledged Revenues and, to the extent of a Debt Service Funding Deficiency, an amount of Non-Ad Valorem Revenues (which at the time of such deposit become City Moneys) in an aggregate amount that, together with an equal amount assumed to be deposited on one Deposit Day of each succeeding calendar month prior to the next Interest Payment Date, shall cause the amount credited to the Sinking Fund to equal (or as shall be estimated to equal with respect to Bonds that bear interest at a floating or variable rate) the Accrued Aggregate Debt Service calculated to such Interest Payment Date, and to the extent applicable, any amounts necessary to satisfy any deficiency in a subaccount of the Debt Service Reserve Account or reinstatement of a Reserve Account Credit Facility.

(c) As soon as practicable after the deposit of Pledged Revenues and, to the extent of any deficiency, City Moneys in the Sinking Fund, as provided in paragraph (b) above, and in any case no later than the close of business on the Business Day preceding such Interest Payment Date, the City shall credit moneys therein to the following purposes in the following order of priority (such application to be made in such a manner so as to assure sufficient moneys on deposit in such Funds):

(i) To the Principal and Interest Account, the amount, if any, required so that the balance in said Account shall equal the amount of principal of and interest on the Bonds coming due on the next Interest Payment Date; provided, that, for the purposes of computing the amount to be deposited in the Principal and Interest Account, there shall be taken into account the amount, if any, set aside in said account from the proceeds of Bonds;

(ii) To the Redemption Account, the amount, if any, required so that the balance in said account shall equal the principal of and premium, if any, on the Bonds then coming due by reason of redemption on the next Interest Payment Date or earlier date of redemption;

(iii) To the extent applicable, to each Reserve Account Credit Facility Issuer the amount, if any, required to reimburse such issuer for the amounts drawn under the applicable Reserve Account Credit Facility and for other amounts due such Reserve Account Credit Facility Issuer to be paid to reinstate the amount available thereunder (on a pro rata basis if there is more than one Reserve Account Credit Facility); and

(iv) To the extent applicable, to the appropriate subaccount or subaccounts of the Debt Service Reserve Account, the amount, if any, required for the amount on deposit in each such subaccount to equal the Debt Service Reserve Requirement for the applicable Series of Bonds (on a pro rata basis if more than one subaccount has a shortfall).

(d) In addition, subject to the foregoing, the City shall pay from Pledged Revenues and, to the extent of any deficiency, from Non-Ad Valorem Revenues, the fees and expenses, at such times as are necessary, of the Paying Agent, the Registrar, the Credit Facility Issuer, if any, and the Reserve Account Credit Facility Issuer, if any, and any other fees and expenses of the City relating to the Bonds.

(e) On or before 12:00 Noon on each Deposit Day, but only after having made all of the transfers from the Revenue Fund required by Section 3.05(b) above, the City may transfer or withdraw any moneys remaining in the Revenue Fund and may apply the moneys so transferred or withdrawn toward any lawful purpose of the City, free and clear of the lien of this Resolution.

Section 3.06. Sinking Fund – Principal and Interest Account; Redemption Account. The City shall pay out of the Principal and Interest Account to the Paying Agent (i) on or before each Interest Payment Date for any of the Bonds, the amount required for the interest payable on such date; and (ii) on or before the maturity date of each of the Bonds the amount of principal of such Bonds payable on such date. The City shall pay out of the Redemption Account to the Paying Agent on or before any redemption date for the Bonds the amount required for the payment of principal and any premium on the Bonds then to be redeemed. Such amounts shall be applied by the Paying Agent on and after the due dates thereof.

Section 3.07. Sinking Fund – Debt Service Reserve Account. (a) If a Series of Bonds is secured by a subaccount of the Debt Service Reserve Account, amounts in such subaccount of the Debt Service Reserve Account shall be used to make up any deficiency in the Principal and Interest Account or the Redemption Account on any Interest Payment Date, but only with respect to such Series of Bonds. If, on the last Business Day preceding any Interest Payment Date, the amounts on deposit in a subaccount of the Debt Service Reserve Account shall be less than the Debt Service Reserve Requirement for such Series, the City shall apply amounts from Pledged Revenues and, to the extent of any deficiency, the City Moneys, available for such purposes hereunder, to the extent necessary to cure the deficiency; provided, however, that no further payments shall be required to be made into a subaccount of the Debt Service Reserve Account whenever and as long as the amount deposited therein shall be equal to the Debt Service Reserve Requirement for such Series (including taking into account any Reserve Account Credit Facilities).

Notwithstanding the foregoing provisions, with respect to any Series of Bonds, in lieu of the required deposits into a subaccount of the Debt Service Reserve Account, the City may, with the consent of the Credit Facility Issuer, if any, for such Series, cause to be deposited into the appropriate subaccount of the Debt Service Reserve Account a Reserve Account Credit Facility or Facilities for the benefit of the Bondholders of such Series in an amount equal to the difference between the Debt Service Reserve Requirement for such Series and the sums then on deposit in the appropriate subaccount of the Debt Service Reserve Account, if any, which Reserve Account Credit Facility or Facilities shall be payable or available to be drawn upon, as the case may be (upon the giving of any notice as required thereunder) on any Interest Payment Date on which a deficiency in the Principal and Interest Account and/or the Redemption Account for such Series exists which cannot be cured by moneys in any other fund or account held pursuant to this Resolution and available for such purpose and otherwise meet the requirements of this Section. If a disbursement is made under the Reserve Account Credit Facility, the City shall be obligated to either reinstate the maximum limits of such Reserve Account Credit Facility equal to the Debt Service Reserve Requirement for such Series immediately following such disbursement, or to deposit into the appropriate subaccount of the Debt Service Reserve Account from the Pledged Revenues and, to the extent of any deficiency, the City Moneys, available for such purposes hereunder, as herein provided, funds in the amount of the disbursement made under such Reserve Account Credit Facility, or a combination of such alternatives so that the balance available in the Debt Service Reserve Account shall equal the Debt Service Reserve Requirement for such Series.

In the event that any moneys shall be withdrawn from a subaccount of the Debt Service Reserve Account for payments into the Principal and Interest Account or Redemption Account, such withdrawals shall be subsequently restored from the first Pledged Revenues or, to the extent of any deficiency, City Moneys, available for such purposes hereunder after all required payments have been made into the Principal and Interest Account and Redemption Account, including any deficiencies for prior payments, and after reimbursement in full of any sums owed to the Reserve Account

Credit Facility Issuer. The foregoing restoration may be satisfied by the reinstatement of the maximum limits of a Reserve Account Credit Facility.

Moneys in the Debt Service Reserve Account shall be used only for the purpose of making payments into the Principal and Interest Account or Redemption Account, when and to the extent the moneys transferred to the Sinking Fund are insufficient for such purpose, provided, however, that moneys in the Debt Service Reserve Account may be invested and reinvested as provided for herein; and provided further, however, that moneys on deposit in a subaccount of the Debt Service Reserve Account may, upon final maturity of a Series of Bonds, be used to pay the principal of and interest on such Series. Notwithstanding the foregoing, the City may remove moneys from the Debt Service Reserve Account for application for any lawful purpose so long as it shall substitute in lieu thereof a Reserve Account Credit Facility in at least the same amount as the moneys so withdrawn.

Unless determined otherwise by Supplemental Resolution, there shall be initially deposited in a subaccount of the Debt Service Reserve Account from the proceeds derived from the sale of a Series of Bonds an amount equal to the Debt Service Reserve Requirement for such Series or in lieu of all or a portion thereof, such Debt Service Reserve Requirement shall be satisfied by the deposit with the Paying Agent of a Reserve Account Credit Facility with the requisite coverage, all as shall be determined by Supplemental Resolution.

Such Reserve Account Credit Facility may take any of the following forms:

(i) A surety bond, insurance policy or evidence of insurance issued to the entity serving as Paying Agent, as agent of the Bondholders, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Bonds (a "municipal bond insurer") with claims-paying ability rated at the time of issuance of such surety bond, insurance policy or evidence of insurance in at least the third highest rating category (currently "A" in the case of S&P, "A" in the case of Fitch and "A" in the case of Moody's) by any Rating Agency which shall have a rating then in effect with respect to the Bonds.

(ii) A Letter of Credit issued to the Paying Agent, as agent of the Bondholders, by a bank rated at the time of issuance of such letter of credit in at least the third highest rating category (currently "A" in the case of S&P, "A" in the case of Fitch and "A" in the case of Moody's) by any Rating Agency which shall have a rating then in effect with respect to the Bonds, provided the Letter of Credit is satisfactory in form and substance to the Credit Facility Issuer, if any.

(b) The delivery of any Reserve Account Credit Facility for a Series pursuant to this Section shall be subject to receipt of an opinion of counsel acceptable to the City and the Credit Facility Issuer of such Series, if any, and in form and substance satisfactory to the City and such Credit Facility Issuer, as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the

issuer of such Reserve Account Credit Facility is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the City and such Credit Facility Issuer. In addition, the use of a Letter of Credit shall be subject to receipt of an opinion of counsel acceptable to the City and such Credit Facility Issuer, and in form and substance satisfactory to the City and such Credit Facility Issuer, to the effect that payments under such Letter of Credit would not constitute avoidable preferences under Section 547 of the United States Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the United States Bankruptcy Code or similar state laws by or against the City (or any other account party under the Letter of Credit).

(c) In the event (i) the rating of the claims-paying ability of the issuer of a Reserve Account Credit Facility falls below the fourth highest rating category (currently “BBB” in the case of S&P, “BBB” in the case of Fitch and “Baa” in the case of Moody’s) by any Rating Agency which shall have a rating then in effect with respect to the Bonds, (ii) the issuer of the Reserve Account Credit Facility defaults in its payment obligations, or (iii) the issuer of the Reserve Account Credit Facility becomes insolvent, the City shall either (A) deposit as hereinafter provided into such subaccount an amount sufficient to cause the cash or permitted investments on deposit in such subaccount to be equal to the Debt Service Reserve Requirement on all Outstanding Bonds of such Series, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually, or (B) replace such instrument with a surety bond, insurance policy or Letter of Credit meeting the requirements for a Reserve Account Credit Facility within six months of such occurrence.

(d) Cash on deposit in the Debt Service Reserve Account shall be used (or Investment Obligations purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Account Credit Facility. If and to the extent that more than one Reserve Account Credit Facility is deposited in a subaccount of the Debt Service Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

(e) Whenever the moneys, cash and Investment Obligations on deposit in a subaccount of the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement for the applicable Series of Bonds (including taking into account any Reserve Account Credit Facility), such excess shall be deposited in the Principal and Interest Account; provided, however, that any excess resulting from the valuation of Investment Obligations shall not be transferred to the Principal and Interest Account until such time as the Investment Obligations are sold or mature. Deficiencies resulting from a decline in market value of Investment Obligations on deposit in the Debt Service Reserve Account shall be restored no later than the succeeding valuation date unless required earlier under this Resolution.

#### Section 3.08. Project Fund.

(a) There shall be paid into the Project Fund the amounts required to be so paid by the provisions of this Resolution or any Supplemental Resolution, and there may be paid into the Project Fund, at the option of the City, any moneys received for or in connection with the Project by the City from any other source.

(b) During the period of construction of the Project or portion thereof, the moneys received pursuant to an insurance claim from insurance maintained against physical loss of or damage to the Project, or pursuant to a claim against a contractor's performance bond with respect thereto, pertaining to the period of construction thereof, shall be paid into the Project Fund.

(c) Any amounts in the Project Fund shall be applied by the City to pay the Cost of the Project, including, without limitation, costs of issuance of the Bonds, and separate accounts may be established in the Project Fund for each Series Project or any portion thereof.

(d) Upon the completion of each Series Project, the balance in the Project Fund (or in any separate account in the Project Fund established therefor) in excess of the amount, if any, to be retained therein for payment of any remaining Cost of the Project, shall, as directed by the City (i) be deposited in the Principal and Interest Account and applied to the retirement of Bonds by payment, purchase, or redemption at the earliest date permissible under the terms of this Resolution, or (ii) to the extent the same shall not, in an Opinion of Bond Counsel, adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds (other than Taxable Bonds), be used for any other lawful purpose of the City.

(e) During the period of construction of the Project, any earnings from moneys held in the Project Fund invested pursuant to the requirements of Article IV hereof shall be retained in the Project Fund.

Section 3.09. Covenants of the City.

(a) It is the intention of the City that the interest on the Bonds issued hereunder (other than Taxable Bonds) be and remain excluded from gross income for federal income tax purposes and to this end the City hereby represents to and covenants with each of the Holders of the Bonds issued hereunder (other than Taxable Bonds) that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the Bonds issued hereunder (other than Taxable Bonds) from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the City covenants and agrees:

(1) to make or cause to be made all necessary determinations and calculations of the Rebate Amount and required payments of the Rebate Fund at the times required pursuant to Section 148(f) of the Code;



(2) to set aside sufficient moneys in the Rebate Fund or elsewhere from the Pledged Revenues, the City Moneys or other legally available funds of the City, to timely pay the Rebate Amount to the United States of America at the times required pursuant to Section 148(f) of the Code;

(3) to pay the Rebate Amount to the United States of America from the Pledged Revenues, the City Moneys or from any other legally available funds at the times and to the extent required pursuant to Section 148(f) of the Code;

(4) to maintain and retain all records pertaining to the Rebate Amount with respect to each Series of Bonds issued hereunder and required payments of the Rebate Amount with respect to such Series of Bonds for at least six years after the final maturity of such Series of Bonds or such other period as shall be necessary to comply with the Code;

(5) to refrain from taking any action that would cause any Bonds issued hereunder that are not issued with the intent that such Bonds shall be private activity bonds (within the meaning of Section 141(a) of the Code) to be classified as private activity bonds under Section 141(a) of the Code; and

(6) to refrain from taking any action that would cause the Bonds issued hereunder to become arbitrage bonds under Section 148 of the Code

The City understands that the foregoing covenants impose continuing obligations on the City that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the Bonds.

Notwithstanding any other provision of this Resolution, including, in particular Article V hereof, the obligation of the City to pay the Rebate Amount to the United States of America and to comply with the other requirements of this paragraph shall survive the defeasance or payment in full of the Bonds. This Section 3.09(a) shall not apply to Taxable Bonds.

(b) (1) The City covenants and agrees that it will not issue or incur any indebtedness payable from or supported by a pledge of the Half-Cent Sales Tax Revenues or the Simplified Communications Tax Revenues unless the total amount of the Half-Cent Sales Tax Revenues and Simplified Communications Tax Revenues as certified by the Chief Financial Officer as actually received during the immediately preceding Fiscal Year or any twelve (12) consecutive months selected by the City of the eighteen (18) months immediately preceding the issuance or incurrence of such indebtedness was at least equal to one hundred fifty percent (150%) of the Maximum Annual Debt Service on (i) the principal amount of the Bonds originally issued pursuant to this Resolution and then Outstanding, (ii) any additional Bonds theretofore issued and

then Outstanding, (iii) any other indebtedness theretofore issued or incurred and then outstanding that is payable from or supported by a pledge of the Half-Cent Sales Tax Revenues or the Simplified Communications Tax Revenues, and (iv) the additional Bonds or other indebtedness then proposed to be issued. For purposes of this covenant, any such indebtedness bearing a variable interest rate or proposed to bear a variable interest rate will be assumed to bear interest at the greater of (a) 100 basis points over the current interest rate borne by such variable rate debt and/or the initial interest rate of proposed variable rate debt, or (b) five percent (5%) per annum.

(2) The City need not comply with Section 3.09(b)(1) of this Resolution in the issuance or incurrence of additional indebtedness if and to the extent the indebtedness to be issued or incurred is issued or incurred for the purpose of refunding Bonds, that is, delivered in lieu of or in substitution for Bonds originally issued under this Resolution or previously issued additional Bonds, if the City shall cause to be delivered a certificate of the Chief Financial Officer setting forth (i) the Maximum Annual Debt Service (A) with respect to the Bonds of all Series Outstanding immediately prior to the date of authentication and delivery of such refunding indebtedness, and (B) with respect to the Bonds of all Series to be Outstanding immediately thereafter, and (ii) that the Maximum Annual Debt Service set forth pursuant to (B) above is no greater than that set forth pursuant to (A) above.

(c) The City shall in each Fiscal Year prepare and adopt an annual budget in accordance with the provisions of Section 166.241, Florida Statutes. A copy of such annual budget shall be furnished to each Credit Facility Issuer, if any.

(d) The City shall furnish to each Credit Facility Issuer, if any, all comprehensive annual financial reports (which shall include but are not limited to all combined statements of revenues, expenditures, and changes in fund balances, all changes in retained earnings/fund balance and all combined statements of changes in financial position of the City for such Fiscal Year and a combined balance sheet of the City as of the close of such Fiscal Year, and notes to each, setting forth in comparative form the figures for the previous Fiscal Year), in reasonable detail and accompanied by an opinion thereon of a recognized firm of independent public accountants selected by the City, which opinion shall state that such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied.

(e) The City further covenants that an annual audit (prepared in accordance with generally accepted accounting principles consistently applied) of the City shall be conducted by a recognized firm of independent public accountants, and the report of such annual audit shall be made available to each Credit Facility Issuer, if any, without charge upon written request.

Section 3.10. Rebate Fund. The City shall deposit into the Rebate Fund from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the City, an amount equal to the Rebate Amount for such Rebate Year. The City shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as

required by this Section 3.10. In complying with the foregoing, the City may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder and after payment in full of the Rebate Amount to the United States in accordance with the terms hereof, such amounts shall be available to the City for any lawful purpose.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the City shall not be impressed with a lien in favor of the Bondholders and the moneys therein shall be available for use only as herein provided.

#### ARTICLE IV INVESTMENT OF FUNDS AND ACCOUNTS

Moneys held in all funds and accounts established under this Resolution shall be invested in Investment Obligations. All Investment Obligations shall mature or shall be subject to redemption at the option of the holder thereof not later than the respective dates when moneys held for the credit of such funds or accounts will be required for the purposes intended, including, in particular, the payment of interest and principal on the Bonds when due; provided that Investment Obligations purchased with funds on deposit in the Debt Service Reserve Account (if so funded) shall have a final maturity of not greater than ten years.

Whenever a payment or transfer of moneys between two or more of the funds or accounts established pursuant to Article III hereof is permitted or required, such payment or transfer may be made in whole or in part by transfer of one or more Investment Obligations at a value determined in accordance with this Article IV; provided that the Investment Obligations transferred are those in which moneys of the receiving fund or account could be invested at the date of such transfer. Investment Obligations in all funds and accounts shall be valued at least annually at their fair market value.

Unless otherwise specified herein or in any Supplemental Resolution, any earnings from moneys or investments held in any fund or account established under this Resolution shall be retained in such fund or account.

#### ARTICLE V DEFEASANCE

If the City shall cause to be paid, or there shall be otherwise paid or provision for payment made to or for the Owners of the Bonds the principal of, redemption premium, if any, and interest due or to become due thereon at the times and in the manner stipulated therein, and shall cause to be paid to the Paying Agent (other than the City) or a bank or trust company appointed as escrow agent all sums of money due or to become due according to the provisions hereof, including the fees, expenses and costs of the Paying Agent or escrow agent as contemplated herein, then this Resolution and the lien, rights, and interest created hereby shall cease, determine, and become null

and void (except as to any surviving rights of payment, registration, transfer or exchange of Bonds herein provided for and except with respect to the covenants of the City, which by the terms of this Resolution survive the defeasance of the Bonds).

In addition, any Bond or Authorized Denominations thereof shall be deemed to be paid within the meaning of this Resolution when (a) payment of the principal of and premium, if any, on such Bond or Authorized Denominations thereof, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (i) shall have been provided by irrevocably depositing with the Paying Agent (other than the City) or a bank or trust company acting as escrow agent in trust and irrevocably setting aside exclusively for such payment lawful money of the United States of America in an amount equal to the principal amount of such Bonds, redemption premium, if any, and all unpaid interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein), or (ii) shall have been provided for by irrevocably depositing with the Paying Agent (other than the City) or a bank or trust company acting as escrow agent in trust and irrevocably setting aside exclusively for such payment Defeasance Obligations maturing as to principal and interest in such amount and at such time as will ensure the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation and expenses of the Paying Agent or escrow agent pertaining to any such deposit shall have been paid or the payment thereof provided for to the satisfaction of the Paying Agent or escrow agent, as the case may be. At such times as a Bond or Authorized Denominations thereof shall be deemed to be paid hereunder, as aforesaid, such Bond or Authorized Denominations thereof shall no longer be secured by or entitled to the benefits of this Resolution except for the purposes of any such payment from such moneys and/or Defeasance Obligations.

Notwithstanding the foregoing paragraph, in the case of a Bond or Authorized Denominations thereof which by its terms may be redeemed prior to the stated maturity thereof, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bond or Authorized Denominations thereof as aforesaid until: (a) proper notice of redemption of such Bond or Authorized Denominations thereof shall have been previously given in accordance with Article II of this Resolution, or (b) in the event said Bond or Authorized Denominations thereof is not to be redeemed within the next succeeding sixty days, until (i) the City shall have given irrevocable instructions to notify, as soon as practicable, the Owner of such Bond in accordance with Section 2.05 hereof, that the deposit required by clause (a)(ii) of the immediately preceding paragraph has been made with the Paying Agent or escrow agent, as the case may be, and that said Bond or Authorized Denominations thereof is deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable premium, if any, on said Bond or Authorized Denominations thereof, plus interest thereon to the due date thereof, and (ii) the City shall have caused to be delivered to the Paying Agent or escrow agent, as the case may be, a verification report of an independent, nationally recognized, certified public accountant showing the sufficiency of such deposit.

Notwithstanding any provision of any other Article of this Resolution which may be contrary to the provisions of this Article, all moneys and/or Defeasance Obligations set aside and held in trust pursuant to the provisions of this Article and necessary for the payment of Bonds or Authorized Denominations thereof (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds or Authorized Denominations thereof (including interest and premium thereon, if any) with respect to which such moneys and/or Defeasance Obligations have been so set aside in trust until payment of such Bonds or Authorized Denominations thereof.

Anything in Article VIII hereof to the contrary notwithstanding, if moneys or Defeasance Obligations have been deposited or set aside with the Paying Agent or escrow agent, as applicable, pursuant to this Article for the payment of Bonds or Authorized Denominations thereof and the interest and premium, if any, thereon shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Owner of each of the Bonds affected thereby.

The provisions of this Article V shall apply to the Bonds of all or any Series of Bonds Outstanding hereunder or a particular maturity or a specific part of a particular maturity to the extent the conditions hereof are expressly satisfied with respect to such Bonds, Series of Bonds, maturity or specific part of a maturity.

Notwithstanding the foregoing, in the event that the payment or deposit in the amount and manner provided in this Resolution has been made by the Credit Facility Issuer under the terms of its Credit Facility, the Credit Facility Issuer shall be subrogated to the rights of the Holders of the Bonds and the liability of the City, with respect thereto, shall not be discharged or extinguished.

Notwithstanding anything contained in this Article V to the contrary, the covenants, liens and pledges contained in this Resolution shall not be fully discharged and satisfied until all obligations owed to the Credit Facility Issuer, if any, and Reserve Account Credit Facility Issuer, if any, have been satisfied.

## ARTICLE VI DEFAULTS AND REMEDIES

Section 6.01. Events of Default. Each of the following events shall constitute and is referred to in this Resolution as an "Event of Default":

(a) A failure by the City to pay the principal of any of the Bonds when the same shall become due and payable at maturity or upon redemption; or

(b) A failure by the City to pay any installment of interest on any of the Bonds when such interest has become due and payable; or

(c) If applicable, a failure of the City to reinstate any amounts required to cure any deficiency in the Debt Service Reserve Account, pursuant to the requirements of Section 3.07; or

(d) A failure by the City to observe and perform any covenant, condition, agreement or provision (other than as specified in clauses (a), (b) and (c) of this Section) contained in the Bonds or in this Resolution on the part of the City to be observed or performed, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the City by the request of Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, unless the Owners of an aggregate principal amount of Bonds of not less than the aggregate principal amount of Bonds the Owners of which requested such notice, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Owners of such aggregate principal amount of Bonds shall be deemed to have agreed to an extension of such period if corrective action cannot be completed within thirty (30) days, but is initiated by the City, or on behalf of the City, within such period and is being diligently pursued. For the purposes of this subsection (d), the Credit Facility Issuer, if any, shall be treated as the Owner of the Bonds secured by its Credit Facility so long as such Credit Facility Issuer shall not be in default under the Credit Facility and as long as it shall not be the subject of a liquidation, bankruptcy, insolvency, or similar proceeding.

If on the date payment of principal of or interest on the Bonds is due, sufficient moneys are not available to make such payment, the Paying Agent shall give immediate notice by telephone, telegraph, telefax or other electronic means, promptly confirmed in writing, of such insufficiency to each Credit Facility Issuer, if any, and the Reserve Account Credit Facility Issuer, if any. The Paying Agent and City shall do all other things necessary to effectuate the terms and provisions of any Credit Facility and any Reserve Account Credit Facility.

#### Section 6.02. Remedies; Rights of Bondholders.

(a) Upon the occurrence of an Event of Default under Section 6.01(a) or (b), any Bondholder may, or upon the occurrence of an Event of Default under Section 6.01(c) or (d), the Owners of not less than a majority in aggregate principal amount of the Bonds may pursue any available remedy at law or in equity or by statute, including any applicable law or statute of the United States of America or of the State of Florida, to enforce the payment of principal of and interest on the Bonds then Outstanding or the obligations of the City hereunder. For the purposes of this Section 6.02, each Credit Facility Issuer, if any, shall be treated as the Owner of the Bonds secured by its Credit Facility so long as such Credit Facility Issuer shall not be in default under the Credit Facility and as long as it shall not be the subject of a liquidation, bankruptcy, insolvency, or similar proceeding.

No right or remedy by the terms of this Resolution is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission in exercising any right or remedy accruing upon any default or Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 6.03. Restoration of Former Position. In the event that any proceeding taken to enforce any right or remedy under this Resolution shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Owners, then the City, each Credit Facility Issuer, if any, and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, and powers shall continue as though no such proceeding had been taken.

Section 6.04. Owners' Right to Direct Proceedings Anything in this Resolution to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding hereunder shall have the right, by an instrument in writing, to direct the time, method and place of conducting all remedial proceedings available under this Resolution or exercising any power conferred by this Resolution. For the purposes of this Section 6.04, each Credit Facility Issuer, if any, shall be treated as the Owner of the Bonds secured by its Credit Facility so long as such Credit Facility Issuer shall not be in default under the Credit Facility and as long as it shall not be the subject of a liquidation, bankruptcy, insolvency or similar proceeding.

Section 6.05. No Impairment of Right to Enforce Payment. Notwithstanding any other provision in this Resolution, the right of any Owner of Bonds to receive payment of the principal of and interest on such Bond, on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Owner.

## ARTICLE VII PAYING AGENT AND REGISTRAR

Section 7.01. Compensation, Expenses, and Advances. The Paying Agent and the Registrar, pursuant to the terms of this Resolution, shall be entitled to reasonable compensation for their services rendered hereunder (not limited by any provision of law in regard to the compensation of the trustee of an express trust) and to reimbursement for their actual out-of-pocket expenses (including reasonable counsel fees) reasonably incurred in connection therewith, except as a result of their negligence or willful misconduct.

Section 7.02. Dealings in Bonds and with the City. The Registrar, the Credit Facility Issuer, if any, the Reserve Account Credit Facility Issuer, if any, and the Paying

Agent, in its or their individual capacity or capacities, may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder, and may join in any action which any Owner of Bonds may be entitled to take with like effect as if it did not act in any capacity hereunder. The Registrar or the Paying Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City or the Credit Facility Issuer, if any, or the Reserve Account Credit Facility Issuer, if any, and may act as depository, trustee, or agent for any committee or body of Owners of Bonds secured hereby or other obligations of the City, or the Credit Facility Issuer, if any, as freely as if it did not act in any capacity hereunder.

Section 7.03. Allowance of Interest. The Paying Agent may, but shall not be obligated to, allow and credit interest upon any moneys which it may at any time receive under any of the provisions of this Resolution, at such rate, if any, as it customarily allows upon similar funds of similar size and under similar conditions, provided that such allowance and credit shall not result in any violation of Section 3.09 hereof relating to arbitrage. All interest allowed on any such moneys shall be credited to the appropriate fund or otherwise applied as provided in Article III with respect to interest on investments. Funds held by the City or Paying Agent hereunder (except moneys in the Rebate Fund) need not be segregated from other funds held by the City or Paying Agent except to the extent required by law.

Section 7.04. Paying Agent. The Paying Agent for each Series of Bonds shall be determined by Supplemental Resolution prior to the issuance of such Series. The Paying Agent shall:

(a) hold all sums held by it for the payment of the principal of or interest on Bonds in trust for the benefit of the Owners of Bonds until such sums shall be paid to such Owners or otherwise disposed of as herein provided, and

(b) keep such books and records as shall be consistent with prudent industry practice, including amounts available to be drawn under any Reserve Account Credit Facility and amounts payable thereunder to any Reserve Account Credit Facility Issuer, and make such books and records available for inspection by the City, the Credit Facility Issuer, if any, the Reserve Account Credit Facility Issuer, if any, and any Bondholder at all reasonable times.

Section 7.05. Qualifications of Paying Agent; Resignation; Removal. Any Paying Agent appointed hereunder shall be either (a) the City or (b) a qualified public depository pursuant to Chapter 280, Florida Statutes or any successor provision, authorized by law to perform all the duties imposed upon it by this Resolution and having (or its parent having) a combined capital stock, surplus and undivided profits of at least \$50,000,000. A Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) days' written notice to the City, the Credit Facility Issuer, if any, and the Reserve Account Credit Facility Issuer, if any; provided, however, that no resignation of a Paying Agent shall take effect until a successor has been appointed and has accepted the duties of Paying Agent.



A Paying Agent may be removed by the City by an instrument or instruments in writing which may be accompanied by an instrument of appointment by the City of a successor. Notwithstanding anything in this Section to the contrary, as long as any Credit Facility is still in effect, a Paying Agent shall not be removed without the prior written consent of each Credit Facility Issuer, provided that such Credit Facility Issuer shall not be in default under the Credit Facility or the subject of any liquidation, bankruptcy, insolvency or similar proceedings.

In the event of the resignation or removal of a Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor.

In the event that the City shall fail to appoint a Paying Agent hereunder, or in the event that a Paying Agent shall resign or be removed, or be dissolved, or if the property or affairs of such Paying Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the City shall not have appointed its successor as Paying Agent, the City shall ipso facto become the Paying Agent for all purposes of this Resolution until the appointment by the City of a successor Paying Agent, as the case may be.

Section 7.06. Registrar. The Paying Agent for each Series of Bonds shall also serve as Registrar for such Series. Each Registrar shall keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the City, the Bondholders and the Credit Facility Issuer, if any, at all reasonable times. Provided, however, that the City reserves the right to name as Registrar a person other than the Paying Agent. The provisions of Section 7.05 shall apply to the qualifications, resignation, and removal of the Registrar.

The City shall cooperate with the Registrar to cause the necessary arrangements to be made and to be thereafter continued whereby Bonds, executed by the City and authenticated by the Registrar or any authenticating agent, shall be made available for exchange, registration and registration of transfer at the designated corporate trust office of the Registrar. The City shall cooperate with the Registrar and the Credit Facility Issuer, if any, to cause the necessary agreements to be made and thereafter continued whereby the Registrar shall be furnished such records and other information, at such times, as shall be required to enable the Registrar to perform the duties and obligations imposed upon it hereunder.

## ARTICLE VIII MISCELLANEOUS PROVISIONS

### Section 8.01. Modification or Amendment.

(a) Except as provided in paragraph (b) below, no material modification or amendment of this Resolution or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of the Owners of more than fifty percent (50%) in principal amount of the Bonds then Outstanding; provided, however,

that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or affect the unconditional promise of the City to pay the interest on and principal of the Bonds, as the same mature or become due, from the Pledged Revenues and, to the extent of any Debt Service Funding Deficiency, from the City Moneys, or reduce such percentage of Owners of such Bonds required above for such modification or amendments, without the consent of the Owners of all the Bonds affected.

(b) This Resolution may be amended, changed, modified and altered without the consent of the Owners of Bonds (i) to cure any ambiguity or correct or supplement any provisions contained herein which may be defective or inconsistent with any other provisions contained herein, (ii) to provide other changes which will not adversely affect the interest of such Owners (without taking into account the existence of a Credit Facility), (iii) to maintain the exclusion of interest on the Bonds (other than Taxable Bonds) from gross income for federal income tax purposes, or (iv) to secure or maintain a rating on the Bonds.

(c) Anything in this Section 8.01 to the contrary notwithstanding, to the extent the Bonds are secured by a Credit Facility and such Bonds are then rated in as high a rating category in which such Bonds were rated at the time of initial issuance and delivery thereof by either S&P, Fitch, or Moody's, then the consent of such Credit Facility Issuer shall constitute the consent of the Holders of the Bonds provided such Credit Facility Issuer is not in default under the Credit Facility or the subject of any liquidation, bankruptcy, insolvency, or similar proceeding; and provided, further, that no modification or amendment shall permit a change in the maturity or redemption of such Bonds or a reduction in the rate of interest thereon, or affect the unconditional promise of the City to pay the interest of and principal on the Bonds, as the same mature or become due, from the Pledged Revenues and, to the extent of any Debt Service Funding Deficiency, from the City Moneys, or reduce the percentage of Owners of such Bonds required in Section 8.01(a) above for such modification or amendment, without the consent of the Owners of all the Bonds affected.

(d) Anything contained in this Section 8.01 to the contrary notwithstanding, if the principal of and interest on the Bonds is guaranteed under a Credit Facility and the Credit Facility Issuer is not in default under such Credit Facility or the subject of any liquidation, bankruptcy, insolvency or similar proceedings, any amendment or supplement to this Resolution shall be subject to the prior written consent of the Credit Facility Issuer. Further, the Credit Facility Issuer shall be provided with a full transcript of all proceedings relating to the adoption of any Supplemental Resolution.

#### Section 8.02. Credit Facility; Alternates.

(a) If the City determines to secure a Series of the Bonds with a Credit Facility, such Credit Facility must meet the requirements set forth in this Section 8.02.

(b) Prior to implementation of any Credit Facility, the City shall deliver to the Paying Agent an opinion of counsel for the Credit Facility Issuer that such obligation

constitutes a legal, valid and binding obligation of such Credit Facility Issuer, enforceable in accordance with its terms.

(c) Each Credit Facility must:

(1) be an irrevocable, unconditional (except for such notice requirements as may be set forth in the Credit Facility) obligation of the Credit Facility Issuer;

(2) provide for payment of principal of and interest on the applicable Bonds when due, whether at maturity or earlier mandatory sinking fund redemption, when other funds hereunder are unavailable therefor; and

(3) result in the Bonds being rated upon initial issuance in one of the three (3) highest long-term credit rating categories by S&P, Fitch or Moody's.

(d) The City may, at any time, provide for the replacement of the Credit Facility by the delivery of an Alternate Credit Facility to the Paying Agent, which Alternate Credit Facility shall meet the foregoing requirements of this Section 8.02. In addition, prior to the replacement of any Credit Facility, the City shall have delivered to the Paying Agent:

(1) A Favorable Opinion of Bond Counsel;

(2) Confirmation from any Rating Agency then rating the Bonds secured by such Credit Facility that such substitution will not reduce or impair the rating such Bonds held at the time of implementation of the previous Credit Facility; and

(3) An opinion of counsel for the substitute Credit Facility Issuer that such Alternate Credit Facility constitutes a legal, valid and binding obligation of such Credit Facility Issuer enforceable in accordance with its terms.

In the event of such replacement, the City shall, at the time of issuance of the Alternate Credit Facility, at the request of the issuer of the Credit Facility being replaced, deliver the Credit Facility being replaced to its issuer for cancellation.

(e) At least thirty (30) days prior to the effective date of any Alternate Credit Facility, the Paying Agent shall give written notice to each owner of all Bonds Outstanding affected thereby. At the time such notice is given, a copy of the notice shall be sent to the Rating Agency or Rating Agencies then rating the Bonds affected thereby. The City may, by notice given to the owners of the Bonds affected thereby not less than twelve (12) days prior to the proposed date of substitution, rescind any notice thereof given pursuant to this Section 8.02(e).

(f) The City may utilize more than one Credit Facility to secure any Series of Bonds, provided each Credit Facility Issuer has a joint and several obligation to pay the principal of and interest on the Series of Bonds as the same shall be due. Except as aforesaid, all provisions hereof relating to a Credit Facility shall apply to all Credit Facilities securing the Bonds pursuant to this Section 8.02(f).

Section 8.03. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other provisions of this Resolution or of the Bonds issued hereunder.

Section 8.04. Sale of Bonds. The Bonds shall be issued and sold at one time or from time to time and at such price or prices consistent with the provisions of the Act and the requirements of this Resolution as the Governing Body shall hereafter determine by Supplemental Resolution.

Section 8.05. Credit Facility Issuer; Default. Notwithstanding any of the provisions of this Resolution to the contrary, all of the rights of the Credit Facility Issuer granted herein, including, without limitation, its right to consent, shall be null and void if the Credit Facility Issuer is in default under the Credit Facility or the subject of any liquidation, bankruptcy, insolvency or similar proceedings; provided, however, that the Credit Facility Issuer shall be entitled to claim any reimbursement obligations theretofore earned or accrued.

Section 8.06. Notice to the Rating Agency. The Rating Agency or Rating Agencies then rating the Bonds shall receive notice of the following events:

- (i) Any amendment to this Resolution.
- (ii) Any redemption, other than a mandatory sinking fund redemption.
- (iii) Defeasance of the Bonds.

Section 8.07. Controlling Law; Members of City Not Liable. All covenants, stipulations, obligations, and agreements of the City contained in this Resolution and the Bonds 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 this Resolution or the Bonds 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 in his or her individual capacity, and neither the members or officers of the Governing Body nor any official executing the Bonds shall be liable personally on the Bonds or shall be subject to any personal liability or accountability by reason of the issuance or the execution of the Bonds by the City or such members thereof.

A RESOLUTION AUTHORIZING THE ISSUANCE OF CAPITAL IMPROVEMENT REVENUE BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF FINANCING (A) THE COSTS OF ACQUIRING, CONSTRUCTING AND INSTALLING CAPITAL PROJECTS FOR THE BENEFIT OF THE CITY OF HOLLYWOOD, AND (B) REFUNDING PRIOR OBLIGATIONS ISSUED BY OR ON BEHALF OF THE CITY, AND PAYING ALL OTHER COSTS NECESSARY OR INCIDENTAL THERETO.

Section 8.08. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
PETER BOBER, 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

\_\_\_\_\_  
JEFFREY P. SHEFFEL, CITY ATTORNEY

EXHIBIT A  
(Form of Bond)

Resolution No. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
CITY OF HOLLYWOOD  
CAPITAL IMPROVEMENT REVENUE BOND

SERIES \_\_\_\_\_

<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Dated</u> <u>Date</u>	<u>Initial</u> <u>CUSIP</u>
--------------------------------	--------------------------------	-----------------------------	--------------------------------

Registered Owner:

Principal Amount: DOLLARS

The City of Hollywood, Florida, a Florida municipal corporation (the "City"), for value received, hereby promises to pay, from the Pledged Revenues, hereinafter mentioned, and, to the extent of any Debt Service Funding Deficiency, from the City Moneys, hereinafter mentioned, to the Registered Owner or registered assigns on the Maturity Date specified above, upon the presentation and surrender hereof at the designated corporate trust office of \_\_\_\_\_, as paying agent (said \_\_\_\_\_ and any bank or trust company becoming successor paying agent being herein called the "Paying Agent"), the Principal Amount stated hereon with interest thereon at the Interest Rate stated above, payable commencing on \_\_\_\_\_ and on each \_\_\_\_\_ and \_\_\_\_\_ thereafter until the City's obligation with respect to the payment of such Principal Amount shall be discharged. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the Registered Owner and mailed to the address of the Registered Owner as such name and address shall appear on the registration books of the City maintained by \_\_\_\_\_, as Registrar (said \_\_\_\_\_, any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each Interest Payment Date; provided, however, that if such fifteenth day is not a Business Day, then to the Registered Owner and at the registered address shown on the registration books of the City maintained by the Registrar at the close of business on the day next preceding such fifteenth day of the month which is not a Business Day (the "Record Date"); provided further, however, that payment of interest on the Bonds may, at the option and expense of any Registered Owner of Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to the Registered Owner to the domestic bank account number on file with the Paying Agent as of the Record Date. Such interest shall be payable from the most recent Interest Payment Date next preceding the date hereof to which interest has

been paid, unless the date hereof is an \_\_\_\_\_ 1 or \_\_\_\_\_ 1 to which interest has been paid, in which case from the date hereof, or unless the date hereof in prior to \_\_\_\_\_, \_\_\_\_\_, in which case from \_\_\_\_\_, \_\_\_\_\_, or unless the date hereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date; provided, however, that if and to the extent there is a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the persons in whose name Bonds are registered on the registration books of the City maintained by the Registrar at the close of business on the fifteenth day prior to a subsequent Interest Payment Date established by notice mailed by the Registrar to the Registered Owner not less than the tenth day preceding such subsequent Interest Payment Date. The Principal Amount and accrued interest thereon is payable in any coin or currency of the United States of America, which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond is one of an authorized issue of Bonds of the City designated as its Capital Improvement Revenue Bonds, Series \_\_\_\_\_ (herein called the "Bonds"), in the aggregate principal amount of \$\_\_\_\_\_ of like date, tenor, and effect, except as to number, date of maturity and interest rate, issued for the purpose of financing and refinancing the Cost of the Series Project (as defined in the Resolution hereinafter referred to) under the authority of and in full compliance with the Constitution, the City Charter, the City Code of Ordinances, each as amended and supplemented, and laws of the State of Florida, including particularly Chapter 166, Florida Statutes, Florida Statutes, Chapter 202, Chapter 212, Florida Statutes, Florida Statutes, and Chapter 218, Florida Statutes, each as amended and supplemented and other applicable provisions of law, and a resolution duly adopted by the City Commission of the City (the "Governing Body") on February 3, 2016, as amended (herein referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

This Bond is a special obligation of the City and is payable solely in the manner and to the extent set forth in the Resolution. There are hereby pledged for the payment of the principal and redemption premium, if any, of, and interest on, the Bond in accordance with the terms and the provisions of the Resolution, the Pledged Revenues (as defined below), and solely to the extent that the Pledged Revenues are insufficient to pay debt service on the Bonds, the City Moneys (defined below). THIS BOND SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE CITY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF FLORIDA BUT SHALL BE PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED REVENUES AND THE CITY MONEYS IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION. NO BONDHOLDER 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 BONDS OR THE INTEREST THEREON, NOR SHALL ANY BONDHOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL OR INTEREST FROM ANY OTHER FUNDS OF THE CITY OTHER THAN AS PROVIDED

IN THE RESOLUTION. FURTHERMORE, NO BONDHOLDER SHALL EVER HAVE A LIEN ON THE PROJECT.

Until the Bonds are paid or deemed paid pursuant to the provisions of the Resolution, the City hereby covenants that if during the preparation of the City's annual budget for any Fiscal Year, it is projected that a Debt Service Funding Deficiency will exist during such Fiscal Year, then the City shall appropriate in its annual budget for such Fiscal Year, by amendment if necessary, Non-Ad Valorem Revenues in amounts sufficient to cure the Debt Service Funding Deficiency, and to restore any deficiency in the subaccount of the Debt Service Reserve Account created and established under the Resolution for the Bonds and any other reserve accounts or funds relating to such Bonds.

"Pledged Revenues" means: (a) Half-Cent Sales Tax Revenues and Simplified Communications Tax Revenues deposited into the Revenue Fund, the Sinking Fund or any other fund established under the Resolution (until deposited into the Revenue Fund or the Sinking Fund in the manner and at the time specified in the Resolution such moneys do not constitute Pledged Revenues); (b) any proceeds of Bonds originally deposited with the City and all moneys deposited and held from time to time by the City in the funds (other than the Rebate Fund) and accounts established pursuant to the Resolution in each case until applied in accordance with the Resolution, (c) investment income received by the City in the funds (other than the Rebate Fund) and accounts established pursuant to the Resolution, and (d) any other moneys received by the Paying Agent in connection with repayment of the Bonds.

"Half-Cent Sales Tax Revenues" means the revenues received by the City from the levy of the half-cent sales tax authorized under Chapter 218, Part VI, Florida Statutes, as amended, or any successor provisions thereto.

"Simplified Communications Tax Revenues" means the revenues received by the City from the levy of the simplified communications tax authorized under Chapter 202, Florida Statutes, as amended, and Section 105.20(A) of the City of Hollywood Code of Ordinances or any successor provisions thereto.

"City Moneys" shall mean the moneys budgeted and appropriated by the City, and deposited into the Sinking Fund or any other fund or account established hereunder (other than the Rebate Fund), from Non-Ad Valorem Revenues pursuant to the Resolution.

"Non-Ad Valorem Revenues" means legally available revenues of the City derived from any source whatever other than ad valorem taxation on real and personal property, which are legally available for payment by the City of Debt Service on the Bonds, after the payment from the sources of Non-Ad Valorem Revenues pledged thereto of the principal of and interest on any other obligations of the City heretofore or hereafter issued which have a prior pledge on any source of the Non-Ad Valorem Revenues. For purposes of the Resolution, fees imposed by the City in connection with new construction, which fees are used to pay for the cost of new facilities and



equipment, the need for which is in whole or in part the result of such new construction (commonly referred to as “impact fees”), are not considered legally available.

The original Registered Owner and each successive Registered Owner of this Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

(1) The Registrar shall maintain the books of the City for the registration of Bonds and for the registration of transfers of Bonds as provided in the Resolution. The Bonds shall be transferable by the Registered Owner thereof in person or by his attorney duly authorized in writing only upon the books of the City maintained by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or his duly authorized attorney. Upon the transfer of any such Bond, the City shall issue in the name of the transferee a new Bond or Bonds.

(2) The City, the Paying Agent, and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, redemption premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

(3) At the option of the Registered Owner hereof and upon surrender hereof at the designated corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or his duly authorized attorney and upon payment by such Registered Owner of any charges which the Registrar or the City may make as provided in the Resolution, the Bonds may be exchanged for Bonds of the same interest rate and maturity of any other authorized denominations.

(4) In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Bonds, but the City or the Registrar may require payment of a sum sufficient to pay any tax, fee, or other governmental charge (except a charge imposed by the City) required to be paid with respect to such exchange or transfer. Neither the City nor the Registrar shall be required (a) to transfer or exchange Bonds for a period from a Record Date to the next succeeding interest payment date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption, or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a Bond is redeemed or defeased, the City shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Bond, without

charge to the Bondholder, for the unpaid balance of the principal amount of such Bond so surrendered, a registered Bond in the appropriate denomination, interest rate and maturity.

This Bond shall not be valid or obligatory for any purpose until the certificate of authentication set forth hereon shall have been duly executed by the Registrar.

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 Bond 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 thereto, and that the issuance of this Bond, and of the issue of Bonds of which this Bond is one, is in full compliance with all constitutional or statutory limitations or provisions.

[Provisions for redemption of Bonds as provided by  
subsequent proceedings of the City].

IN WITNESS WHEREOF, the City of Hollywood, a municipal corporation of the State of Florida, has issued this Bond and has caused the same to be executed by the manual or facsimile signature of its Mayor and the seal of the City to be affixed hereto or lithographed, impressed, imprinted or otherwise reproduced hereon, and attested by the manual or facsimile signature of the City Clerk, all as of the Dated Date.

CITY OF HOLLYWOOD, FLORIDA

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

(FORM OF CERTIFICATE OF AUTHENTICATION)

This Bond is one of the Bonds of the Series designated herein and issued and delivered pursuant to the within mentioned Resolution.

Date of Authentication:

\_\_\_\_\_

as Registrar

By: \_\_\_\_\_

Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned \_\_\_\_\_ (the  
"Transferor"), hereby sells, assigns, and transfers unto  
\_\_\_\_\_  
"Transferee")

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_

the within Bond and all rights thereunder, and hereby irrevocably constitutes and  
appoints \_\_\_\_\_  
as attorney to register the transfer of the within Bond on the books kept for registration  
and registration of transfer thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

\_\_\_\_\_

NOTICE: Signature(s) must be  
guaranteed by a member firm of the New  
York Stock Exchange or a commercial  
bank or trust company.

NOTICE: No transfer will be registered and  
no new Bond will be issued in the name of  
the Transferee, unless the signature(s) to  
this assignment correspond(s) with the  
name as it appears upon the face of the  
within Bond in every particular, without  
alteration or enlargement or any change  
whatever and the Social Security or Federal  
Employer Identification Number of the  
Transferee is supplied.

[STATEMENT OF INSURANCE, if any]