

RESOLUTION \_\_\_\_\_

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE ISSUANCE OF THE CITY'S WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2014, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$56,000,000; PROVIDING FOR THE DETERMINATION OF CERTAIN DETAILS OF SUCH BONDS WITHIN PARAMETERS SET FORTH HEREIN; APPOINTING A BOND REGISTRAR WITH RESPECT THERETO; AUTHORIZING THE NEGOTIATED SALE OF SUCH BONDS TO THE UNDERWRITERS MENTIONED HEREIN; DETERMINING THAT THE ISSUANCE OF SUCH BONDS AND THE REFUNDING OF CERTAIN PRIOR BONDS ARE IN THE BEST INTERESTS OF THE CITY AND THE USERS OF THE UTILITY; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT TO SUCH BONDS; APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; APPOINTING AN ESCROW AGENT AND AUTHORIZING THE EXECUTION OF AN ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE PROCUREMENT OF CREDIT ENHANCEMENT AND A RESERVE ACCOUNT INSURANCE POLICY TO FURTHER SECURE SUCH BONDS; PROVIDING FOR THE APPLICATION OF BOND PROCEEDS; APPROVING THE REDEMPTION OF SUCH CERTAIN PRIOR BONDS OF THE CITY FROM PROCEEDS OF SUCH BONDS; APPROVING THE APPLICATION OF CERTAIN MONEYS HELD IN RESPECT OF SUCH CERTAIN PRIOR BONDS TO EFFECT SUCH REDEMPTION; ESTABLISHING A 2014 RESERVE SUBACCOUNT AND A MEANS FOR DETERMINATION OF THE RESERVE ACCOUNT REQUIREMENT WITH RESPECT THERETO AND PROVIDING FOR THE FUNDING THEREOF; AUTHORIZING PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Commission (the "Commission") of the City of Hollywood, Florida (the "City") has heretofore enacted Ordinance No. O-91-44, on July 24, 1991, as amended and supplemented, authorizing and securing the City's Water and Sewer Bonds (the "Ordinance"); and

WHEREAS, the Ordinance provides for the issuance of Refunding Bonds (as defined in the Ordinance) subject to the terms and conditions provided therein; and

WHEREAS, pursuant to Resolution R-2003-354, adopted by the Commission on November 5, 2003 (the "2003 Resolution"), the City has previously issued its Water and Sewer Refunding and Improvement Revenue Bonds, Series 2003, in an original aggregate principal amount of \$114,705,000, \$54,910,000 of which remains outstanding (the "Refunded Bonds"); and

WHEREAS, the City desires to authorize the issuance of not to exceed \$56,000,000 in aggregate principal amount of its Water and Sewer Refunding Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), pursuant to the provisions of the Ordinance for the purpose of providing funds, together with other legally available moneys, to (i) currently refund the Refunded Bonds, (ii) fund the 2014 Reserve Subaccount (as defined in this Resolution) of the Reserve Account (as defined in the Ordinance) or fund the cost of a reserve account insurance policy for the 2014 Reserve Subaccount, if necessary, and (iii) pay certain costs of issuance with respect to the Series 2014 Bonds; and

WHEREAS, upon issuance, the Series 2014 Bonds shall be secured under the Ordinance on a parity basis by a lien upon the Net Revenues (as defined in the Ordinance) with all other Bonds (as defined in the Ordinance) currently outstanding under the Ordinance and with any Additional Bonds (as defined in the Ordinance) and Additional Parity Indebtedness (as defined in the Ordinance) that may be issued subsequently under or pursuant to the Ordinance; and

WHEREAS, the Ordinance provides that certain details of Bonds and certain other matters relating to Bonds shall be determined in a Series Resolution (as defined in the Ordinance); and

WHEREAS, there have been prepared with respect to the issuance and sale of the Series 2014 Bonds and submitted to the City forms of:

- (i) a Bond Purchase Agreement with respect to the Series 2014 Bonds between Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and as representative of the underwriters named therein (collectively, the "Underwriters"), and the City, attached hereto as Exhibit A (the "Bond Purchase Agreement");
- (ii) a Preliminary Official Statement relating to the Series 2014 Bonds, attached hereto as Exhibit B (the "Preliminary Official Statement");

- (iii) a Continuing Disclosure Certificate of the City, attached hereto as Exhibit C (the "Continuing Disclosure Certificate"); and
- (iv) an Escrow Deposit Agreement relating to the Refunded Bonds between The Bank of New York Mellon (or an affiliate thereof), as escrow agent, and the City, attached hereto as Exhibit D (the "Escrow Agreement");

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

Section 1: Authorization of Series 2014 Bonds. The City authorizes the issuance and delivery of one or more series of revenue bonds of the City to be designated "City of Hollywood, Florida Water and Sewer Refunding Revenue Bonds, Series 2014" to be issued under and pursuant to Section 210 of the Ordinance for the purpose of providing funds, together with other available funds, to (i) currently refund the Refunded Bonds, (ii) fund the 2014 Reserve Subaccount of the Reserve Account or fund the cost of a reserve account insurance policy for the 2014 Reserve Subaccount, if necessary, and (iii) pay certain costs of issuance with respect to the Series 2014 Bonds.

Section 2: Details of Series 2014 Bonds; Appointment of Bond Registrar and Escrow Agent. The City hereby determines that the Series 2014 Bonds shall be dated, have such interest payment dates, maturities, and redemption provisions, and bear interest at such rates, all as shall be set forth in the Bond Purchase Agreement. The Bank of New York Mellon (or an affiliate thereof) is hereby designated as Bond Registrar for the Series 2014 Bonds under the Ordinance and as Escrow Agent under the Escrow Deposit Agreement.

Section 3: Negotiated Sale Required. The City hereby finds and declares that a negotiated sale of the Series 2014 Bonds to the Underwriters is in the best interests of the City and is found to be necessary on the basis of the following reasons, as to which specific findings are hereby made:

(i) due to the volatility of the market for securities such as the Series 2014 Bonds, the City must be able to enter the market at the most advantageous time, rather than at a specific advertised date, thereby permitting the City to obtain the best possible price and interest rates for the Series 2014 Bonds;

(ii) the refunding of the Refunded Bonds is a complex transaction which requires the assistance of an underwriter in obtaining possible credit enhancement and an underlying rating and in dealing with prospective investors;

(iii) the Underwriters have participated in structuring the issuance of the Series 2014 Bonds and can assist the City in obtaining the most attractive financing for the City; and

(iv) the City will not be adversely affected if the Series 2014 Bonds are not sold pursuant to a competitive sale.

Section 4: Best Interests of City and Water and Sewer Utility Users. The City hereby finds and determines that the issuance of the Series 2014 Bonds and the refunding of the Refunded Bonds are in its best interests and the best interests of the users of the Water and Sewer Utility.

Section 5: Bond Purchase Agreement Approved. The City hereby approves the form of the Bond Purchase Agreement attached as Exhibit A hereto. Upon execution by the City Attorney to signify his approval of the legality thereof, the Mayor or Vice Mayor and the Director of Financial Services are hereby authorized and directed to execute the Bond Purchase Agreement, as attested by the City Clerk under the seal of the City, and to deliver the Bond Purchase Agreement to the Underwriters. The Bond Purchase Agreement shall be in substantially the form of the Bond Purchase Agreement attached hereto as Exhibit A with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor or Vice Mayor, the Director of Financial Services and the City Attorney. Execution by the Mayor or Vice Mayor, the Director of Financial Services and the City Attorney of the Bond Purchase Agreement shall be deemed to be conclusive evidence of the approval thereof.

Execution of the Bond Purchase Agreement is subject to the following additional requirements:

(i) the aggregate principal amount of the Series 2014 Bonds shall not exceed \$56,000,000;

(ii) the final maturity of the Series 2014 Bonds shall not be later than October 1, 2023;

(iv) the price at which the Series 2014 Bonds shall be sold to the Underwriters shall not be less than 98.00% of the face amount thereof exclusive of original issue discount or premium; and

(v) the net present value of debt service savings resulting from the refunding of the Refunded Bonds shall be at least 5.00%.

Section 6: Sale of Series 2014 Bonds. The Series 2014 Bonds, having the details set forth in the Bond Purchase Agreement attached as Exhibit A hereto and such terms as are not inconsistent with the requirements of this Resolution, shall be sold and awarded to the Underwriters named therein on the terms and conditions set forth in the Bond Purchase Agreement.

Section 7: Preliminary Official Statement Approved. The use and distribution of the Preliminary Official Statement in substantially the form attached hereto as Exhibit B is hereby approved, with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor or Vice Mayor and the Director of Financial Services. Execution of a Rule 15c2-12 Certificate by the City's Director of Financial Services shall be deemed to be conclusive evidence of the approval of the use and distribution of the Preliminary Official Statement.

Section 8: Official Statement Approved. The preparation and distribution of a final Official Statement of the City relating to the Series 2014 Bonds, substantially in the form of the Preliminary Official Statement attached as Exhibit B hereto, is hereby approved with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor or Vice Mayor and the Director of Financial Services, and the Mayor or Vice Mayor and the Director of Financial Services are hereby authorized and directed to execute and deliver the Official Statement. The execution and delivery of the Official Statement by the Mayor or Vice Mayor and the Director of Financial Services shall constitute conclusive evidence of the approval thereof.

Section 9: Continuing Disclosure Certificate. The City hereby covenants and agrees that, in order to provide for compliance by the City with the secondary market disclosure requirements of Rule 15c2-12 of the Securities Exchange Act of 1934, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The City does hereby authorize and approve the execution and delivery of the Continuing Disclosure Certificate by the Mayor or Vice Mayor and the Director of Financial Services, as attested by the City Clerk under the seal of the City. The Continuing Disclosure Certificate shall be in substantially the form attached hereto as Exhibit C, with such changes, amendments, modifications, omissions and additions as shall be approved by the Mayor or Vice Mayor and the Director of Financial Services. The execution and delivery of the Continuing Disclosure Certificate by the Mayor or Vice Mayor and the Director of Financial Services shall constitute conclusive evidence of the approval thereof. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder or under the Ordinance; provided, however, any Series 2014 Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section 10 and the Continuing Disclosure Certificate.

Section 10: Escrow Agreement Approved. The City hereby approves the form of the Escrow Agreement attached as Exhibit D hereto. Upon execution by the City Attorney to signify his approval of the legality thereof, the Mayor or Vice Mayor and the Director of Financial Services are hereby authorized and directed to execute the Escrow Agreement, as attested by the City Clerk under the seal of the City, and to deliver the Escrow Agreement to the Escrow Agent. The Escrow Agreement shall be in substantially the form of the Escrow Agreement attached hereto as Exhibit D with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor or Vice Mayor, the Director of Financial Services and the City Attorney. Execution by the Mayor or Vice Mayor, the Director of Financial Services and the City Attorney of the Escrow Agreement shall be deemed to be conclusive evidence of the approval thereof.

Section 11: Credit Enhancement and Reserve Surety. If a policy of municipal bond insurance or other credit enhancement shall be available to further secure the Series 2014 Bonds and if procurement of such a policy or enhancement shall be deemed necessary and appropriate by the Mayor or Vice Mayor and the Director of Financial Services in order for the City to achieve the lowest interest cost on the Series

2014 Bonds, the Mayor or Vice Mayor and the Director of Financial Services shall be authorized to take such steps as shall be necessary or appropriate to procure such a policy or enhancement, including without limitation, execution and delivery of the acceptance of commitments with respect thereto or any agreements with respect thereto not inconsistent with the terms of the Ordinance or this Resolution.

If a reserve account insurance policy or reserve account surety shall be available to satisfy in whole or in part the Reserve Account Requirement for the 2014 Reserve Subaccount mentioned below and if procurement of such a policy or surety shall be deemed to be in the best interests of the City by the Mayor or Vice Mayor and the Director of Financial Services, the Mayor or Vice Mayor and the Director of Financial Services shall be authorized to take such steps as shall be necessary or appropriate to procure such a policy or surety, including without limitation, execution and delivery of the acceptance of commitments with respect thereto or any agreements with respect thereto not inconsistent with the terms of the Ordinance or this Resolution.

Section 12: Application of Bond Proceeds. The proceeds of the Series 2014 Bonds shall be applied as described in Section 210 of the Ordinance. The specific amounts of the funds to be so applied shall be set forth in a certificate to be delivered by the Director of Financial Services simultaneously with the delivery of the Series 2014 Bonds.

Section 13: Redemption of Refunded Bonds. In order to effect the refunding of the Refunded Bonds, the City hereby authorizes and directs the redemption of the Refunded Bonds in accordance with the terms and conditions of the Ordinance, including Section 210 of the Ordinance, and this Resolution to occur on such date and in such manner as is required by the Ordinance and as shall be determined by the Director of Financial Services.

Section 14: Bond Form. The form of the Series 2014 Bonds shall be as set forth in the Ordinance with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor or Vice Mayor and as are consistent with this Resolution and the Ordinance. Execution of the Series 2014 Bonds by the Mayor or Vice Mayor shall be deemed to be conclusive evidence of the approval thereof.

Section 15: Establishment of 2014 Reserve Subaccount. There is hereby established within the Reserve Account a subaccount to be designated the "2014 Reserve Subaccount", which shall be maintained solely for the benefit of the holders of the Series 2014 Bonds. The Reserve Account Requirement with respect to the 2014 Reserve Subaccount or the formula for establishing the same shall be determined by the Director of Financial Services, after consultation with the City's financial advisor, prior to the posting of the Preliminary Official Statement. Neither such Reserve Account Requirement nor any such formula shall exceed the lesser of (a) the aggregate of Maximum Principal and Interest Requirements for the Series 2014 Bonds in the current or any subsequent Fiscal Year, or (b) the maximum amount allowed to be funded under the Code from proceeds of the Series 2014 Bonds, while preserving the exclusion of interest on the Series 2014 Bonds from the gross income of the holders thereof.

Section 16: Funds Held in Respect of Refunded Bonds. Funds presently held in respect of the Refunded Bonds shall be applied consistent with the requirements of the Ordinance and the 2003 Resolution and in such manner as shall be set forth in a Certificate of the City Manager or the Director of Financial Services to be delivered concurrently with the original issuance and delivery of the Series 2014 Bonds.

Section 17: Further Official Action. The Mayor, the Vice Mayor, the Director of Financial Services, the City Manager, the City Attorney, the City Clerk and any other proper official of the City are hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution. In the event that the Mayor, the Vice Mayor, the Director of Financial Services, the City Manager, the City Clerk or the City Attorney is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the City. The City Manager or the City Clerk is each hereby authorized and directed to apply and attest the official seal of the City to any agreement or instrument authorized or approved herein or in the Ordinance that requires such a seal and attestation. All prior actions taken by such officials, officers and employees of the City in connection with the issuance of the Series 2014 Bonds are hereby ratified and confirmed.

Section 18: Meaning of Terms. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Ordinance.

Section 19: Inconsistent Proceedings. All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

Section 20: Effective Date. This Resolution shall be in full force and effect immediately upon its passage and adoption.

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A RESOLUTION AUTHORIZING THE ISSUANCE OF THE CITY'S WATER AND  
SEWER REFUNDING REVENUE BONDS, SERIES 2014

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
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

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JEFFREY P. SHEFFEL  
CITY ATTORNEY