

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT MORE THAN \$44,400,000 IN INITIAL PRINCIPAL AMOUNT OF THE CITY OF HOLLYWOOD, FLORIDA GENERAL OBLIGATION REFUNDING NOTE, SERIES 2015, FOR THE PURPOSE OF REFUNDING ON A CURRENT BASIS, ALL OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES 2005, AND PAYING COSTS OF ISSUANCE; PROVIDING THE FORM AND TERMS OF THE SERIES 2015 NOTE; PROVIDING FOR THE PAYMENT OF THE SERIES 2015 NOTE FROM A TAX ON ALL TAXABLE PROPERTY IN THE CITY OF HOLLYWOOD; DETERMINING THE NEED FOR A NEGOTIATED SALE OF SUCH SERIES 2015 NOTE TO RAYMOND JAMES CAPITAL FUNDING, INC.; DESIGNATING THE CITY'S FINANCIAL SERVICES DEPARTMENT TO ACT AS PAYING AGENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A NOTE PURCHASE AGREEMENT; PROVIDING FOR THE RIGHTS AND REMEDIES OF THE HOLDERS OF THE SERIES 2015 NOTE; PROVIDING FOR CERTAIN OTHER MATTERS DEEMED NECESSARY; MAKING CERTAIN COVENANTS RELATING TO THE ISSUANCE OF THE SERIES 2015 NOTE, AUTHORIZING THE PROPER OFFICERS OF THE CITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2015 NOTE; AND PROVIDING FOR AN EFFECTIVE DATE.

RESOLUTION NO. _____

CITY OF HOLLYWOOD, FLORIDA
General Obligation Refunding Note, Series 2015

GENERAL OBLIGATION REFUNDING
NOTE RESOLUTION

Adopted _____, 2015

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WHEREAS, the City Commission (the "Commission") of the City of Hollywood, Florida (the "City"), on July 13, 2004 adopted Resolution No. R-2004-254 and on May 4, 2005 adopted Resolution No. R-2005-137 (collectively, the "Original Resolution"), and the qualified electors of the City of Hollywood, Florida (the "City"), did, at an election held on November 2, 2004 (the "Referendum"), authorize by majority vote the issuance of \$53,680,000 City of Hollywood, Florida General Obligation Bonds, Series 2005 (the "2005 Bonds"); and

WHEREAS, on June 3, 2005, the City issued the 2005 Bonds in the principal amount of \$53,680,000; and

WHEREAS, the Commission hereby determines it to be in the best financial and economic interest of the City to issue its City of Hollywood, Florida General Obligation Refunding Note, Series 2015 (the "Series 2015 Note"), in an initial principal amount of not more than \$44,400,000 to refund, defease and redeem all of the Outstanding 2005 Bonds (the "Refunded Bonds") and to pay certain costs associated with the issuance of the Series 2015 Note; and

WHEREAS, City staff has determined and the Commission hereby concurs that Raymond James Capital Funding, Inc. (the "Note Purchaser"), has provided a satisfactory proposal to the City to purchase the Series 2015 Note, a copy of which is attached to this Resolution as Exhibit A (the "Proposal"); and

WHEREAS, the Commission hereby finds that in light of present market conditions, the aforementioned Proposal provided by the Note Purchaser and the necessity for the funds to redeem the Refunded Bonds on July 31, 2015, it would be in the best interest of the City to sell the Series 2015 Note to the Note Purchaser on a negotiated private placement basis pursuant to the terms and provisions of this Resolution, the Proposal and that certain Note Purchase Agreement dated the date of delivery of the Series 2015 Note (herein, the "Agreement") by and between the City and the Note Purchaser in substantially the form attached hereto as Exhibit B.

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

SECTION 1: DEFINITIONS. In addition to the terms defined above, as used in this Resolution, the following terms shall have the following meanings unless the text otherwise expressly requires:

"Act" shall mean the Florida Constitution, Chapter 166, Florida Statutes, as amended and supplemented, the City Charter of Hollywood, as amended and supplemented, and other applicable provisions of law.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and all subsequent tax legislation duly enacted by the Congress of the United States.

“Default Rate” shall mean, as of the date of the occurrence of an Event of Default, an interest rate per annum equal to the greatest of: (a) the published Federal Reserve Bank’s Prime Rate, plus three percent (3%); (b) the Federal Funds Rate, plus five percent (5%); or (c) seven percent (7%).

“Defeasance Obligations” shall mean to the extent permitted by law:

(a) U. S. Obligations; and

(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 the trustee or paying agent of such bonds or other obligations by the obligor 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 bonds or other 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.

“Determination of Taxability” shall mean any determination, decision or decree by the Internal Revenue Service or any court of competent jurisdiction after the conclusion of any appeals the City may decide to undertake, that the interest payable on the Series 2015 Note is includable in the gross income (as defined in Section 61 of the Code) of any Holder of the Series 2015 Note, but only if such determination, decision or decree is a result of actions or inactions of the City (which will not be an Event of Default).

“Event of Default” shall have the meaning ascribed to it in Section 19 of this Resolution.

“Holder” shall mean the Note Purchaser or, subject to the provisions of Section 8 hereof, any successor registered holder of the Series 2015 Note.

“Interest Rate” shall mean with respect to the Series 2015 Note, unless the Series 2015 Note bears interest at the Taxable Rate upon a Determination of Taxability, a fixed rate of interest equal to 2.92 percent (2.92%) per annum. The Interest Rate shall be calculated on the basis of a 360 day year of twelve thirty-day months.

“Maturity Date” shall mean, with respect to the unpaid principal of and interest on the Series 2015 Note, June 1, 2030.

“Outstanding” shall mean, when used with reference to the Series 2015 Note, as of any particular date, the Series 2015 Note theretofore, or thereupon being, authenticated and delivered by the Registrar under this Resolution, except (i) any Series 2015 Note theretofore or thereupon cancelled by the Registrar or surrendered to the Registrar for cancellation; and (ii) any Series 2015 Note with respect to which all liability of the City shall have been discharged in accordance with Section 13.D of this Resolution; (iii) any Series 2015 Note, in lieu of or in substitution for another Series 2015 Note, that has been authenticated and delivered by the Registrar pursuant to any provision of this Resolution.

“Paying Agent” shall mean the City’s Financial Services Department or, if the City Commission shall so determine by subsequent proceedings, any bank or trust company and any successor bank or trust company appointed by the City to act as Paying Agent hereunder.

“Payment Date” shall mean, with respect to interest on the Series 2015 Note, each June 1 and December 1, commencing December 1, 2015 and, with respect to principal on the Series 2015 Note, annually each June 1, commencing June 1, 2016 and on any other date the principal of the Series 2015 Note is optionally prepaid in whole or in part, provided that if such date is not a business day, the payment shall be made on the next succeeding business day and interest will accrue and be payable to such actual date of payment.

“Permitted Investments” shall mean (i) U.S. Obligations, and (ii) all other investments permitted under the laws of Florida.

“Registrar” shall mean the City’s Financial Services Department or, if the City Commission shall so determine by subsequent proceedings, any bank or trust company and any successor bank or trust company appointed by the City to act as Registrar hereunder.

“Series 2015 Note” shall mean the City of Hollywood, Florida General Obligation Refunding Note, Series 2015 in an initial principal amount of not more than \$44,400,000 authorized to be issued pursuant to this Resolution.

“Tax Certificate” shall mean the Arbitrage Certificate executed by the City on the date of initial issuance and delivery of the Series 2015 Note, as such Tax Certificate may be amended from time to time.

“Taxable Rate” shall mean 4.70 percent (4.70%) per annum. The Taxable Rate shall be calculated on the basis of a 360 day year of twelve thirty-day months.

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

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 and permitted assigns.

SECTION 2: FINDINGS. That it is necessary, advantageous, desirable and in the best interests of the City and its residents that the Series 2015 Note be issued to accomplish the payment and defeasance of the Refunded Bonds.

SECTION 3: AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the Act.

SECTION 4: RESOLUTION CONSTITUTES CONTRACT. In consideration of the acceptance of the Series 2015 Note by the Holder who shall hold the same from time to time, this Resolution and the Original Resolution, to the extent applicable to the Series 2015 Note, shall be deemed to be and shall constitute a contract between the City and such Holder, and the covenants and agreements herein set forth to be performed by the City shall be for the benefit, protection and security of such Holder.

SECTION 5: AUTHORIZATION AND DESCRIPTION OF SERIES 2015 NOTE. Subject and pursuant to the provisions of this Resolution, the Series 2015 Note of the City to be known as “General Obligation Refunding Note, Series 2015,” is hereby authorized to be issued in an initial principal amount of not more than Forty-Four Million Four Hundred Thousand Dollars (\$44,400,000) for the purpose of the refunding, defeasance and redemption of the Refunded Bonds pursuant to the provisions of this Resolution. The Series 2015 Note shall be issued in registered certificated form and shall be issuable as a single note only in a denomination equal to the then unpaid principal amount of Series 2015 Note. The Series 2015 Note shall be designated “General Obligation Refunding Note, Series 2015,” and shall bear interest at the Interest Rate (or upon the occurrence of a Determination of Taxability, at the Taxable Rate, or upon the occurrence of an Event of Default, at the Default Rate). Such interest shall be payable semiannually of each year on each Payment Date, payable by check or draft made payable to the Holder and mailed to the address of such Holder as such name and address shall appear on the registration books of the City maintained by the Registrar at the close of business on the third business day preceding each Payment Date or on the date the principal sum of the Series 2015 Note is paid (herein, the “Record Date”); provided, however, that payment of interest of and principal on the Series 2015 Note may, at the option of the Note Purchaser or any other Holder, be transmitted by wire transfer to the designated account number of the Holder within the continental United States on file with the Paying Agent as of the Record Date. The

Series 2015 Note shall be dated the date of its delivery and bear interest from such date. The Series 2015 Note authenticated on or subsequent to the first Payment Date shall be dated as of the date of its authentication and shall bear interest as of the Payment Date immediately preceding the date of authentication, unless such date of authentication shall be a Payment Date, in which case, such Series 2015 Note shall bear interest from such date of authentication, or if authenticated during the period from a Record Date preceding a Payment Date, then from such Payment Date if interest is then paid through such Payment Date, as the case may be.

The principal amount of the Series 2015 Note at its original issuance and the dates upon which principal of the Series 2015 Note shall become due and payable, and the amounts of such payments shall be established by the Financial Services Director of the City, after consultation with the financial advisor of the City. Such terms of the Series 2015 Note shall be consistent with the requirements of this Resolution and the Proposal.

The principal amount of the Series 2015 Note shall be payable annually on each Payment Date in the amounts set forth in the Series 2015 Note for each such Payment Date or, in the event of any permitted prepayment, at the time designated for such prepayment.

In the event of a Determination of Taxability, (i) the interest rate on the Series 2015 Note shall be increased to the Taxable Rate as of the date on which interest on the Series 2015 Note becomes includable in the gross income of Holder as a result of the Determination of Taxability (the "Determination Date") to and including the date on which the entire outstanding principal balance of the Series 2015 Note is repaid, and (ii) notwithstanding anything in Section 6 of this Resolution to the contrary, the City may prepay the Series 2015 Note, in whole but not in part, at a prepayment price equal to 100% of the then outstanding principal amount of the Series 2015 Note, plus a payment equal to the interest accrued on the Series 2015 Note at the Taxable Rate from the Determination Date to and including the date established for such prepayment, less the interest paid on the Series 2015 Note from the Determination Date to and including the date established for such prepayment. Such prepayment shall be upon 30 days' prior written notice to the Holder.

Notwithstanding any provision herein to the contrary, in no event shall the interest rate on the Series 2015 Note exceed the maximum rate permitted by law.

SECTION 6: PREPAYMENT PROVISIONS. The City shall have the right to prepay the Series 2015 Note in whole or in part on or after June 1, 2025, on any interest Payment Date upon 30 days' prior written notice to the Holder at a prepayment price equal to 100% of the then outstanding principal amount to be prepaid, plus any accrued interest, but without any premium. Prior to June 1, 2025, the Series 2015 Note may not be prepaid in whole or in part without the prior written consent of the Holder in its sole discretion. Partial prepayments shall be applied in inverse order of maturity and shall be subject to a minimum principal amount of \$1,000,000 per prepayment.

SECTION 7: EXECUTION OF SERIES 2015 NOTE. The Series 2015 Note shall be executed in the name of the City by the Mayor or the Vice Mayor, in the absence of the Mayor, and the official seal of the City shall be affixed thereto or lithographed, impressed, imprinted or otherwise reproduced thereon and attested by the City Clerk, or in such manner as may be permitted by law. The signatures of the Mayor or the Vice Mayor, in the absence of the Mayor, or the City Clerk on the Series 2015 Note may be by manual or facsimile signature. In case any one or more of the officers who shall have signed or sealed any of the Series 2015 Note shall cease to be such officer before the Series 2015 Note so signed and sealed have been actually sold and delivered, such Series 2015 Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2015 Note had not ceased to hold such office. Any Series 2015 Note may be signed and sealed on behalf of the City by such person as at the actual time of execution of such Series 2015 Note shall hold the proper office, although at the date of such Series 2015 Note such person may not have held such office or may not have been so authorized.

The Series 2015 Note shall bear thereon a certificate of authentication, in the form set forth in Section 10 hereof, executed manually by the Registrar. Only a Series 2015 Note as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Resolution, and no Series 2015 Note 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 Series 2015 Note executed on behalf of the City shall be conclusive evidence that the Series 2015 Note so authenticated has been duly registered and authenticated and delivered under this Resolution and that the Holder thereof is entitled to the benefits of this Resolution.

SECTION 8: NEGOTIABILITY, REGISTRATION AND CANCELLATION. The Registrar shall keep books for the registration of the Series 2015 Note and for the registration of transfers of the Series 2015 Note.

The City, the Registrar and the Paying Agent shall deem and treat the person in whose name any Series 2015 Note shall be properly registered upon the books kept by the Registrar as the absolute holder of such Series 2015 Note, whether such Series 2015 Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, and interest on the Series 2015 Note as the same become due and for all other purposes. All such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon the Series 2015 Note to the extent of the sum or sums so paid, and none of the City, the Registrar or the Paying Agent shall be affected by any notice to the contrary.

In all cases in which the Series 2015 Note is transferred in a manner permitted by this Resolution, the City shall execute and the Registrar shall authenticate and deliver the Series 2015 Note in accordance with the provisions of this Resolution. A Series 2015 Note surrendered in any such transfer shall forthwith be delivered to the Registrar and cancelled by the Registrar in the manner provided in this Section. There shall be no charge for any such transfer of the Series 2015 Note, but the City or the

Registrar (if not the City's Financial Services Department) may require the payment of a sum sufficient to pay any tax, fee, expense or other governmental charge required to be paid with respect to such transfer. If less than all of the unpaid principal balance of the Series 2015 Note is prepaid or defeased, the City shall execute and the Registrar shall authenticate and deliver, upon the surrender of the Series 2015 Note, without charge to the Holder, for the unpaid balance of the principal amount of the Series 2015 Note so surrendered, a registered Series 2015 Note in the appropriate denomination.

Within a reasonable period of time after payment in full of the Series 2015 Note, either at or before maturity, the Series 2015 Note shall be delivered to the Registrar when such payment is made and the Series 2015 Note shall thereupon be promptly cancelled. Notwithstanding any provisions in this Resolution to the contrary, a partial prepayment made in accordance with Section 6 hereof may be effected by payment to the Note Purchaser of the principal of the Series 2015 Note, together with unpaid interest accrued thereon, without surrender of the Series 2015 Note, such payment to be evidenced by the records of the City and the Note Purchaser and such records shall be conclusive and binding upon the City and the Note Purchaser absent manifest error. If, on the prepayment date, funds for the payment of the principal amount to be prepaid, together with unpaid interest accrued thereon, shall not have been provided to the Paying Agent, as above provided, the principal amount of the Series 2015 Note shall continue to be Outstanding and to bear interest until payment thereof at the Interest Rate.

Upon a prepayment in whole of the Series 2015 Note, the City understands that the Note Purchaser will within a reasonable period of time thereafter surrender the Series 2015 Note to the City marked "satisfied" or "paid in full." If, on the prepayment date, funds for the payment of the principal amount to be prepaid, together with all unpaid accrued interest to the prepayment date on such principal amount, shall have been provided to the Note Purchaser, as above provided, then from and after the prepayment date interest on such principal amount of the Series 2015 Note which are prepaid shall cease to accrue.

The Series 2015 Note shall be transferable at the option of the registered Holder thereof to an institutional holder, but subject to the prior written approval of the City's Financial Services Director (which shall not be unreasonably withheld if the intended transferee provides a suitability letter addressed to the City as to the sophistication of the investor) unless such institutional holder is an affiliate of the Holder, a bank or trust company, or unless such institutional holder, which is not a bank or trust company, certifies in writing to the City prior to the transfer that it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended and supplemented (the "33 Act") or a qualified institutional buyer under Rule 144A of the 33 Act, in which case such approval shall not be required and upon surrender thereof at the office of the Registrar (the designated corporate trust office of the Registrar if the City's Financial Services Department is not the Registrar) with a written instrument of transfer reasonably satisfactory to the Registrar duly executed by

the registered Holder or his duly authorized attorney. Upon the transfer of the Series 2015 Note, the City shall issue in the name of the transferee a new Series 2015 Note.

SECTION 9: SERIES 2015 NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case the Series 2015 Note shall become mutilated, destroyed, stolen or lost, the City shall execute and the Registrar shall authenticate and deliver a new Series 2015 Note of like date, maturity, denomination and interest rate as the Series 2015 Note so mutilated, destroyed, stolen or lost; provided that, in the case of any mutilated Series 2015 Note, such mutilated Series 2015 Note shall first be surrendered to the City and, in the case of any lost, stolen or destroyed Series 2015 Note, there shall first be furnished to the City and the Registrar evidence of such loss, theft, or destruction reasonably satisfactory to the City and the Registrar, together with indemnity reasonably satisfactory to them. In the event the Series 2015 Note shall have matured or have been called for redemption, instead of issuing a duplicate Series 2015 Note, the City may pay the same without surrender thereof. The City and the Registrar (if not the City's Financial Services Department) may charge the Holder of the Series 2015 Note its reasonable fees and expenses in connection with this transaction. Any Series 2015 Note surrendered for replacement shall be cancelled in the same manner as provided in Section 8 of this Resolution.

Any such duplicate Series 2015 Note issued pursuant to this Section shall constitute a contractual obligation of the City, whether or not the lost, stolen or destroyed Series 2015 Note is at any time found by anyone.

SECTION 10: FORM OF SERIES 2015 NOTE. The text of the Series 2015 Note shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable:

Resolution No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF HOLLYWOOD, FLORIDA

GENERAL OBLIGATION REFUNDING NOTE
SERIES 2015

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
2.92%	June 1, 2030	[CLOSING DATE]

Registered Holder:

Principal Amount: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Hollywood, Florida, a municipal corporation created and existing under and by virtue of the laws of the State of Florida (the "City"), hereby acknowledges itself to be indebted, and for value received, hereby promises to pay the Registered Holder or registered assigns on the Maturity Date specified above, subject to earlier mandatory and optional prepayments, if any, from the sources hereinafter mentioned, the Principal Amount stated above together with interest thereon at the Interest Rate specified above (as the same may be adjusted pursuant to the terms of this Note and the Resolution mentioned hereinafter) payable on the first day of June and December of each year commencing December 1, 2015. The Principal Amount and interest on this Note is payable by check or draft of the Paying Agent (as defined in the Resolution) made payable to the Registered Holder and mailed to the address of the Registered Holder as such name and address shall appear on the registration books of the City initially maintained by the City's Financial Services Department (or if determined by the City) the designated Corporate Trust Officer of the bank or trust company to act as registrar (said City's Financial Services Department and any bank or trust company becoming successor registrar being herein called the "Registrar") at the close of business on the third business day preceding each payment date (the "Record Date"). Notwithstanding the foregoing, at the option of the Holder, the Holder may require that payments of interest and principal be made by wire transfer or in such other manner provided in the herein referred to Resolution. Interest shall be payable from the most recent interest payment date next preceding the date of authentication to which interest has been paid, unless the date of authentication is a June 1 or December 1 to which interest has been paid, in which case from the date of authentication, or unless the date of authentication is prior to December 1, 2015, in which case from the Dated Date stated above, or unless the date of authentication is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date if interest is paid through such 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. Interest on this Note shall accrue on the basis of a 360 day year, consisting of twelve thirty (30) day months.

This Note constitutes the entirety of an issue of notes in the initial principal amount of \$_____ issued by City of Hollywood, Florida, for the purpose of refunding, defeasing and redeeming all of the City's General Obligation Bonds, Series 2005 under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including Chapter 166, Florida Statutes, as amended and supplemented, the City Charter of Hollywood, as amended and supplemented, and other applicable provisions of law and pursuant to Resolution No. _____ (the "Resolution") duly adopted by the City Commission of Hollywood, Florida, on July 8, 2015, authorizing the issuance of this Note. Any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Resolution.

Upon the occurrence and during the continuance of an Event of Default (as defined in the Resolution), the interest rate borne by this Note shall increase to the Default Rate (as defined in the Resolution).

In the event of a Determination of Taxability, (i) the interest rate on this Note shall be increased to the Taxable Rate as of the date on which interest on the Note becomes includable in the gross income of the Registered Holder (the "Determination Date"), and (ii) notwithstanding anything in the Resolution or this Note to the contrary, the City may prepay this Note, in whole but not in part, at a prepayment price equal to 100% of the then outstanding principal amount of this Note, plus a payment equal to the interest accrued on this Note at the Taxable Rate from the Determination Date to and including the date established for such prepayment, less the interest paid on this Note from the Determination Date to the date established for such prepayment. Such prepayment shall be upon 30 days' prior written notice to the Holder.

Notwithstanding any provision herein to the contrary, in no event shall the interest rate on this Note exceed the maximum rate permitted by law.

The principal of this Note shall be payable by the City on each June 1, commencing June 1, 2016 in the following amounts:

<u>Principal Payment Date</u>	<u>Principal Amount Due</u>
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030*	

* Final Maturity

The City shall have the right to prepay this Note in whole or in part on or after June 1, 2025, on any interest payment date upon 30 days' prior written notice to the Holder at a prepayment price equal to 100% of the then outstanding principal amount plus any accrued interest, but without any premium. Prior to this date, the Series 2015 Note may not be prepaid in whole or in part without consent of the Holder in its sole discretion. Partial prepayments shall be applied in inverse order of maturity and shall be subject to a minimum amount of \$1,000,000 per prepayment.

The original registered Holder of this Note and each successive registered Holder of this Note shall be conclusively deemed to have agreed and consented to the following terms and conditions:

(1) The Registrar shall keep books for the registration of this Note and for the registration of transfers of this Note as provided in the Resolution. Subject to the following paragraph, this Note 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 kept by the Registrar and only upon surrender hereof together with a written instrument of transfer reasonably satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of this Note, the City shall issue in the name of the transferee a new Note.

(2) This Note shall be transferable at the option of the registered Holder hereof to an institutional holder, but subject to the prior written approval of the City's Financial Services Director (which shall not be unreasonably withheld if the intended

transferee provides a suitability letter addressed to the City as to the sophistication of the investor) unless such institutional holder is an affiliate of the Holder, a bank or trust company, or unless such institutional holder, which is not a bank or trust company, certifies in writing to the City prior to the transfer that it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended and supplemented (the "33 Act") or a qualified institutional buyer under Rule 144A of the 33 Act, in which case such approval shall not be required and upon surrender thereof at the office of the Registrar (the designated corporate trust office of the Registrar if the City's Financial Services Department is not the Registrar) with a written instrument of transfer reasonably satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney.

(2) The City, the Paying Agent and the Registrar shall deem and treat the person in whose name any Note shall be properly registered upon the books kept by the Registrar as the absolute owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Note 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 Note to the extent of the sum or sums so paid, and none of the City, the Paying Agent or the Registrar shall be affected by any notice to the contrary.

(3) In all cases in which the privilege of transferring this Note is exercised, the City shall execute and the Registrar shall authenticate and deliver a new Note in accordance with the provisions of the Resolution. There shall be no charge for any such transfer of this Note, but the City or the Registrar (if not the City's Financial Services Department) may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. If less than all of this Note is prepaid or defeased, the City shall, subject to the provisions of the Resolution, execute and the Registrar shall authenticate and deliver, upon the surrender of this Note, without charge to the Holder, for the unpaid balance of the principal amount of this Note so surrendered, a registered note in the appropriate denomination.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been signed by an authorized officer of 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 Note, exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Note does not violate any constitutional or statutory debt limitation or provision; that due provision has been made for the levy and collection of a direct annual tax in addition to all other taxes, upon all the taxable property within the City sufficient to pay the principal of and interest on this Note as the same shall mature and

become due, and that this Note is a general obligation of the City for which the full faith and credit of City of Hollywood, Florida is hereby irrevocably pledged for the punctual and full payment of the Principal Amount, interest, and all other sums due under this Note, as the same shall become due and payable.

IN WITNESS WHEREOF, City of Hollywood, a municipal corporation of the State of Florida, has caused this Note to be signed by its Mayor, and the seal of said City to be affixed hereto, or lithographed, impressed, imprinted or otherwise reproduced hereon, attested by the City Clerk of said City, all as of the Dated Date.

(SEAL)

CITY OF HOLLYWOOD, FLORIDA

Mayor

ATTEST:

City Clerk

(FORM OF CERTIFICATE OF AUTHENTICATION)

This Note is the note delivered pursuant to the within mentioned Resolution of the City Commission of Hollywood, Florida.

Date of
Authentication:_____

CITY OF HOLLYWOOD, FLORIDA
FINANCIAL SERVICES DEPARTMENT

as Registrar

By:_____

Authorized Officer

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

_____ (please print or typewrite name and address of transferee)
the within note and all rights thereunder, and hereby irrevocably constitutes and
appoints

Attorney to transfer the within note on the books kept for registration thereof, with full
power of substitution in the premises.

Dated: _____

In the presence of:

SECTION 11: APPLICATION OF NOTE PROCEEDS. From the proceeds of the sale of the Series 2015 Note, an amount which together with any other moneys lawfully available therefor, if any, shall be deposited by the City in the Debt Service Fund (as hereinafter defined) held by the Paying Agent for the Refunded Bonds, and such proceeds shall be held irrevocably in trust in such Debt Service Fund. Such moneys shall remain uninvested and shall be sufficient to pay the Refunded Bonds in the manner provided in the Original Resolution authorizing the issuance of the Refunded Bonds.

Any commitment fee payable by the City to the Note Purchaser pursuant to the Note Purchase Agreement shall be applied from the proceeds of the sale of the Series 2015 Note and advanced directly to the Note Holder.

The remaining proceeds of such sale shall be deposited in the Cost of Issuance Fund (as hereinafter defined) to be held by the City and used for the purpose of paying any legal expenses including those of Note Counsel, the Note Purchaser's counsel, expenses for fiscal agents or financial services and such other expenses as may be necessary or incidental and incurred by the City in connection with the issuance of the Series 2015 Note.

The Paying Agent shall provide the notice of redemption to the bondholders of the Refunded Bonds in order to fully redeem the Refunded Bonds on July 31, 2015.

SECTION 12: SECURITY FOR THE SERIES 2015 NOTE. In each year while the Series 2015 Note is Outstanding and unpaid, there shall be levied and collected a tax on all the taxable property within the City sufficient to pay the interest and principal on the Series 2015 Note as they become due, and to provide for the payment of the principal of said Series 2015 Note at its maturity or earlier prepayment date, and the City is, and shall be irrevocably and unconditionally obligated to levy and collect such ad valorem taxes without limitation as to rate or amount on all the taxable property within the City, sufficient in amount to pay all principal of, redemption premium, if any, interest and other expenses on the Series 2015 Note, as the same shall become due. The repayment of all amounts due under the Series 2015 Note is a general obligation of the City that is secured by the full faith and credit of the City.

SECTION 13: COVENANTS OF THE CITY. As long as any of the principal of or interest on any of the Series 2015 Note shall be Outstanding and unpaid, or until the provisions of Section 13.D of this Resolution have been complied with, the City covenants with the Holders of any and all of the Series 2015 Note issued pursuant to the Resolution as follows:

A. TAX COVENANT.

1. The City covenants to comply with each requirement of the Code, and any successor provisions thereto, necessary to maintain the exclusion of the interest on the Series 2015 Note from gross income for Federal income tax purposes

pursuant to Section 103(a) of the Code. In furtherance of the covenant contained in the preceding sentence, the City agrees to comply with the provisions of the Tax Certificate.

2. The City shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Series 2015 Note pursuant to Section 148(f) of the Code from amounts on deposit in the fund and accounts established under this Resolution and available therefor.

3. Notwithstanding any other provision of this Resolution to the contrary, as long as necessary in order to maintain the exclusion of interest on the Series 2015 Note from gross income for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Series 2015 Note, including any payment or defeasance thereof pursuant to Section 13.D of this Resolution.

B. [RESERVED]

C. CREATION OF DEBT SERVICE FUND AND COST OF ISSUANCE FUND.

There are hereby created the City of Hollywood, Florida General Obligation Refunding Note, Series 2015 Debt Service Fund (the "Debt Service Fund") and the City of Hollywood, Florida General Obligation Refunding Note, Series 2015 Cost of Issuance Fund (the "Cost of Issuance Fund"). Amounts on deposit in such funds shall be applied as follows:

1. DEBT SERVICE FUND. The monies raised by the City from the levy of ad valorem taxes to pay debt service on the Series 2015 Note shall be deposited by the City in the Debt Service Fund. The monies in the Debt Service Fund shall be used solely for the payment of the principal of and interest on the Series 2015 Note as the same become due and payable and the Holder of the Series 2015 Note shall have a first lien on all such monies in the Debt Service Fund until paid and applied in the manner permitted in this Resolution.

Monies in the Debt Service Fund shall be disbursed for (i) the payment of the interest on the Series 2015 Note secured hereby as such interest falls due, (ii) the payment of the principal of the Series 2015 Note secured hereby at its respective maturities, (iii) the redemption of the Series 2015 Note secured hereby before maturity at the price and under the conditions provided therefor, and (iv) the payment of the necessary charges for paying the Series 2015 Note and interest thereon.

2. COST OF ISSUANCE FUND. Amounts deposited in the Cost of Issuance Fund pursuant to Section 11 hereof shall be kept separate and apart from all other funds and accounts of the City and the moneys on deposit in the Cost of Issuance Fund shall be withdrawn and used solely to pay certain costs incurred in connection with the issuance of the Series 2015 Note. Until expended, funds on deposit in the Cost

of Issuance Fund shall be subject to a first lien and charge in favor of, and held for the benefit of, and as security for, the Holder of the Series 2015 Note. Any funds remaining on deposit in the Cost of Issuance Fund after payment of all costs associated with the issuance of the Series 2015 Note shall be transferred to the Debt Service Fund.

D. DISCHARGE AND SATISFACTION OF SERIES 2015 NOTE. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Series 2015 Note in any one or more of the following ways:

1. by paying the entire outstanding amount of principal of and accrued interest on the Series 2015 Note when the same shall become due and payable; or

2. by depositing in the Debt Service Fund or in such other accounts which are irrevocably pledged to the payment of the Series 2015 Note and for which the Holder has a first lien, as the City may hereafter create and establish by resolution, certain moneys, which are sufficient at the time of such deposit to pay the Series 2015 Note and the interest thereon through the Maturity Date, or through an earlier prepayment date thereof provided that the City has irrevocably committed to fully redeem the Series 2015 Note on such prepayment date; or

3. by depositing in the Debt Service Fund or such other accounts which are irrevocably pledged to the payment of the Series 2015 Note and for which the Holder has a first lien, as the City may hereafter create and establish by resolution, moneys which together with other moneys lawfully available therefor when invested in Defeasance Obligations which are also irrevocably pledged to the payment of the Series 2015 Note and for which the Holder has a first lien, will provide moneys which are sufficient to pay the Series 2015 Note and the interest thereon through the Maturity Date, or through an earlier prepayment date thereof provided that the City has irrevocably committed to fully redeem the Series 2015 Note on such prepayment date.

4. If any portion of the moneys deposited for the payment of the principal of and interest on any portion of the Series 2015 Note is not required for such purpose, the City may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing the Series 2015 Note or otherwise existing under this Resolution.

Upon such payment or deposit in the amount and manner provided in this Section 13.D, the Series 2015 Note shall no longer be deemed to be Outstanding for the purposes of this Resolution, and all liability of the City with respect to the Series 2015 Note shall cease, terminate and be completely discharged and extinguished, and the Holder thereof shall be entitled to payment solely out of the moneys or securities so deposited.

SECTION 14: FINANCIAL INFORMATION. So long as the Series 2015 Note remains Outstanding, the City agrees to provide to the Holder within 270 days after the end of each fiscal year of the City a copy of its audited financial statements for such fiscal year. So long as the Series 2015 Note remains Outstanding, the City agrees to provide to the Holder within sixty (60) days after its adoption, a copy of each annual budget adopted by the City. Further, the City agrees to provide such additional financial information relating to the loan evidenced by the Series 2015 Note and the City's ability to repay such loan as the Holder may request from time to time.

SECTION 15: MODIFICATION OR AMENDMENT. No 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 Holder of the Series 2015 Note.

SECTION 16: 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 the Resolution or of the Series 2015 Note or coupons issued hereunder.

SECTION 17: NEGOTIATED SALE. The Commission hereby finds, based on current market conditions, the necessity for the funds to defease the Refunded Bonds to achieve maximum savings and the favorable terms offered by Note Purchaser, that it would be in the best interest of the City that the Series 2015 Note be sold on a negotiated private placement basis to the Note Purchaser.

SECTION 18: ACCEPTANCE OF PROPOSAL AND APPROVAL OF NOTE PURCHASE AGREEMENT. The Commission hereby accepts the Proposal of the Note Purchaser. The form of the Note Purchase Agreement for the Series 2015 Note, between the City and the Note Purchaser, as submitted to this meeting and attached hereto as Exhibit B, is hereby approved. The Commission hereby delegates to the Mayor or the Vice Mayor, in the absence of the Mayor, the authority to approve the final terms and details of the Series 2015 Note and to execute the Note Purchase Agreement on behalf of the City if such Note Purchase Agreement accurately reflects such terms and details. The Mayor of the City or, in his absence, the Vice Mayor each is hereby authorized and directed to execute and deliver the Note Purchase Agreement in substantially the form submitted to this meeting, with such changes, insertions and deletions thereto as are necessary or desirable for carrying out the purposes thereof as may be approved by the Mayor or the Vice Mayor, upon advice of the City Attorney and Note Counsel, the execution of said Note Purchase Agreement being conclusive evidence of such approval. The City Clerk is hereby authorized and directed to affix the seal of the City and attest to the same, if so required by the terms thereof.

SECTION 19: EVENTS OF DEFAULT AND REMEDIES. The occurrence of any one or more of the following events shall constitute an “Event of Default”:

(a) any material representation or warranty made by the City in this Resolution, the Note Purchase Agreement or the Series 2015 Note shall have been untrue when made;

(b) other than a breach described in clause (e) of this Section, continued breach by the City of any covenant made by the City in this Resolution, the Note Purchase Agreement or the Series 2015 Note following thirty (30) days written notification of the City by the Holder of such breach; provided, however, that such continued breach shall not be an Event of Default at the end of such thirty (30) day period, so long as: (i) such breach is, in the sole judgment of the Holder, capable of cure; (ii) the City is proceeding diligently to cure such breach; and (iii) such breach, in any event, is cured within ninety (90) days of such written notification by the Holder;

(c) The entry of a decree or order by a court having jurisdiction in the premises for an order for relief against the City, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the City under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, custodian, assignee, or sequestrator (or other similar official) of the City or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days;

(d) The institution by the City of proceedings for an order for relief, or the consent by it to an order for relief against it, or the filing by it of a petition or answer or consent seeking reorganization, arrangement, adjustment, composition or relief under the United States Bankruptcy Code or any other similar applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, custodian, assignee, trustee or sequestrator (or other similar official) of the City or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due; and

(e) Failure by the City to pay within fifteen (15) days after the same shall become due and payable any principal of or interest on the Series 2015 Note.

Upon the occurrence and during the continuance of an Event of Default, the Holder, to the full extent permitted by the laws of the State of Florida or the United States of America, may sue to protect and enforce any and all legal and equitable rights; to seek the appointment of a receiver, and to enforce and compel the performance of all duties required by this Resolution. In addition, the Holder shall be entitled to receive interest on the Series 2015 Note at the Default Rate.

SECTION 20: WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, THE CITY AND THE HOLDER WAIVE ANY RIGHT EITHER MAY HAVE TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE IN ANY WAY RELATED TO THIS RESOLUTION OR THE SERIES 2015 NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

SECTION 21: GENERAL AUTHORITY. The Mayor, the City Manager, the Financial Services Director, the City Clerk, the City Attorney, any member of the City Commission and any other proper officials of the City are hereby authorized to do all acts and things, including execution of documents, required of them by this Resolution, the Series 2015 Note and the Note Purchase Agreement, or that may otherwise be desirable or consistent with accomplishing the transactions contemplated by any of the foregoing (including the call for redemption of the Refunded Bonds) and the full, punctual and complete performance of all the terms, covenants and agreements contained in any of the foregoing. Each member, employee, attorney and officer of the City is hereby authorized and directed to execute and deliver any and all papers and instruments and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

SECTION 22: EFFECTIVE DATE. This Resolution shall take effect upon its adoption in the manner provided by law.

PASSED AND ADOPTED this _____ day of _____, 2015.

PETER BOBER
MAYOR

ATTEST:

PATRICIA A. CERNY, MMC, CITY CLERK

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

JEFFREY P. SHEFFEL, CITY ATTORNEY

EXHIBIT “A”

Proposal of Raymond James Capital Funding, Inc.

EXHIBIT “B”

Note Purchase Agreement

MIA 184673234v5