
LOAN AGREEMENT

By and Between

PNC BANK, NATIONAL ASSOCIATION

and

CITY OF HOLLYWOOD, FLORIDA

Dated as of February 3, 2017

\$8,595,000
City of Hollywood, Florida
Refunding Revenue Note, Series 2017

This Instrument Prepared By:

Bruce Giles-Klein, Esq.
Greenberg Traurig, P.A.
333 SE 2nd Ave, Suite 4400
Miami, Florida 33131

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	4
ARTICLE II REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CITY	8
SECTION 2.01. Representations, Warranties and Covenants.....	8
SECTION 2.02. Covenants of City.....	10
ARTICLE III THE LOAN AND THE NOTE	15
SECTION 3.01. Note Issuance and the Loan.	15
SECTION 3.02. Evidence of Loan.....	15
SECTION 3.03. Purchase of Note.	15
SECTION 3.04. Description of the Note.	15
ARTICLE IV LOAN TERM AND LOAN CLOSING REQUIREMENTS	16
SECTION 4.01. Commencement of Loan Term.	16
SECTION 4.02. Termination of Loan Term.....	16
SECTION 4.03. Loan Closing Submissions.....	16
ARTICLE V LOAN PAYMENTS	17
SECTION 5.01. Payment of Loan Payments, Including Basic Payments.....	17
SECTION 5.02. [RESERVED].	17
SECTION 5.03. Obligations of City Unconditional.	17
SECTION 5.04. Prepayment.....	17
ARTICLE VI ASSIGNMENT AND PAYMENT BY THIRD PARTIES	18
SECTION 6.01. [RESERVED].	18
SECTION 6.02. Assignment by City.....	18
ARTICLE VII EVENTS OF DEFAULT AND REMEDIES	19
SECTION 7.01. Events of Default Defined.....	19
SECTION 7.02. Notice of Default.	20
SECTION 7.03. Remedies on Default.	20
SECTION 7.04. No Remedy Exclusive; Waiver, Notice.	21
SECTION 7.05. Application of Moneys.....	21
ARTICLE VIII MISCELLANEOUS	22
SECTION 8.01. Notices.....	22
SECTION 8.02. Binding Effect.	22
SECTION 8.03. Severability.....	22
SECTION 8.04. Amendments, Changes and Modifications.	22
SECTION 8.05. Execution in Counterparts.....	22
SECTION 8.06. Applicable Law; Jurisdiction; Waiver of Jury Trial.	22

SECTION 8.07. Benefit of Noteholders.	22
SECTION 8.08. Consents and Approvals.	23
SECTION 8.09. Immunity of Officers, Employees and Members of the City.	23
SECTION 8.10. Captions.	23
SECTION 8.11. Payments Due on Holidays.	23
SECTION 8.12. Calculations.	23
SECTION 8.13. Time of Payment.	23
EXHIBIT A USE OF LOAN PROCEEDS	
EXHIBIT B OPINION OF CITY’S COUNSEL	
EXHIBIT C PRINCIPAL AMORTIZATION SCHEDULE	
EXHIBIT D FORM OF NOTE	

LOAN AGREEMENT

This Loan Agreement (the “Loan Agreement” or the “Agreement”) is made and entered into as of February 3, 2017, and is by and between PNC BANK, NATIONAL ASSOCIATION, a national banking association (the “Bank”), and the CITY OF HOLLYWOOD, FLORIDA (the “City”), a duly constituted municipality under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the City is authorized under and pursuant to the hereinafter defined Act to enter into this Loan Agreement for the purposes set forth herein; and

WHEREAS, the City desires to refinance on the same terms the unpaid principal balance of a prior loan made by the First Florida Governmental Financing Commission to the City from proceeds obtained from the First Florida Governmental Financing Commission Refunding Revenue Bond, Series 2012, dated September 26, 2012 (the “Prior Loan”); and

WHEREAS, the City has applied the proceeds of the Prior Loan in order to refinance various capital projects of the City, all as more particularly described in **Exhibit A** to this Agreement; and

WHEREAS, the City desires to borrow from the Bank and the Bank desires to lend to the City \$8,595,000 (the “Loan”), as more fully described herein, to refinance the Prior Loan and to pay costs associated with the making of the Loan (as hereinafter defined); and

WHEREAS, the obligation of the City to repay the Loan shall be evidenced by a Refunding Revenue Note, Series 2017 (the “Note”), which shall be substantially in the form attached to this Agreement as **Exhibit D**; and

WHEREAS, the issuance of the Note hereunder shall not directly, indirectly or contingently obligate the City, the State or any political subdivision or municipal corporation thereof to levy or pledge any form of ad valorem taxation for its payment, except that the Note shall be payable by the City solely from the Non-Ad Valorem Revenues budgeted and appropriated as provided hereunder; and

WHEREAS, the Bank is willing to purchase the Note from the City as set forth herein in order to provide the funds to finance the Loan.

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Unless the context or use indicates another meaning or intent, the following words and terms as used in this Loan Agreement shall have the following meanings, and any other hereinafter defined, shall have the meanings as therein defined.

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

“Authorized Representative” means the person performing the functions of the Mayor or Deputy, Acting or Vice Mayor thereof or other officer authorized to exercise the powers and perform the duties of the Mayor.

“Bank” means PNC Bank, National Association, a national banking association, its successors and assigns.

“Basic Payments” means the payments denominated as such in Section 5.01 hereof.

“Board” means the governing body of the City.

“Bond Counsel” means Greenberg Traurig, P.A., or any other nationally recognized bond counsel acceptable to the City.

“Bond Year” means a 12-month period beginning on July 2 and ending on and including the following July 1 except for the first period which begins on the date hereof.

“Business Day” means any day of the year which is not a Saturday or Sunday or a day on which banking institutions located in New York City or the State are required or authorized to remain closed or on which the New York Stock Exchange is closed.

“Closing” means the closing of the Loan pursuant to this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated, proposed or applicable thereunder.

“Commencement Date” means the date when the term of this Agreement begins and the obligation of the City to make Loan Payments accrues.

“Cost” means “Cost” as defined in the Act.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for the City.

“Default” means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Event of Default” shall have the meaning ascribed to such term in Section 7.01 of this Agreement.

“Financial Newspaper” or “Journal” means The Wall Street Journal or The Bond Buyer or any other newspaper or journal containing financial news, printed in the English language, customarily published on each Business Day and circulated in New York, New York, and selected by the Bank, whose decision shall be final and conclusive.

“Fiscal Year” means the fiscal year of the City.

“Governmental Obligations” means (i) non-callable direct and general obligations of the United States of America, or those obligations which are unconditionally guaranteed as to the timely payment of principal and interest by the same, including interest on obligations of the Resolution Funding Corporation and (ii) pre-refunded municipal obligations meeting the following criteria:

(a) the municipal obligations may not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;

(b) the municipal obligations are secured by cash or securities described in subparagraph (i) above (the “Defeasance Obligations”), which cash or Defeasance Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;

(c) the principal and interest of the Defeasance Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;

(d) the Defeasance Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and

(e) the Defeasance Obligations are not available to satisfy any other claims, including those against the escrow agent.

Additionally, evidences of ownership of proportionate interests in future interest and principal payments of Defeasance Obligations are permissible. Investments in these proportionate interests are limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate and apart from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

“Interest Payment Date” means January 1 and July 1 of each year commencing July 1, 2017.

“Interest Period” means the semi-annual period between Interest Payment Dates.

“Loan” means the Loan made to the City from Note proceeds to refinance the Prior Loan in the amount specified in Section 3.01 herein.

“Loan Agreement” means this Loan Agreement and any amendments and supplements hereto.

“Loan Payment Date” means July 1, 2017, and thereafter each July 1 until the Maturity Date, or if such day is not a Business Day, the next preceding Business Day.

“Loan Payments” means the Basic Payments.

“Loan Term” means the term provided for in Article IV of this Loan Agreement.

“Maturity Date” means July 1, 2022.

“Maximum Rate” means the maximum rate of interest permitted for non-rated governmental bonds as set forth in Section 215.84(3), Florida Statutes, as may be amended from time to time.

“Non-Ad Valorem Revenues” means all 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 Loan Payments.

“Noteholder” or “Holder” or “holder of Note” or “Owner” or “owner of Note” whenever used herein with respect to a Note, means the person in whose name such Note is registered.

“Note” means the \$8,595,000 City of Hollywood, Florida Refunding Revenue Note, Series 2017.

“Opinion of Bond Counsel” means an opinion by Bond Counsel which is selected by the City.

“Opinion of Counsel” means an opinion in writing of a legal counsel, who may, but need not be, counsel to the City or the Bank.

“Person” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization including a government or political subdivision or an agency or instrumentality thereof.

“Principal Payment Date” means any principal payment date with respect to the Note.

“Prior Loan” has the meaning ascribed to it in the recitals to this Agreement.

“State” means the State of Florida.

ARTICLE II
REPRESENTATIONS, WARRANTIES AND COVENANTS
OF THE CITY

SECTION 2.01. Representations, Warranties and Covenants. The City represents, warrants and covenants on the date hereof for the benefit of the Bank, as follows:

(a) Organization and Authority. The City:

- (1) is a duly organized and validly existing municipality of the State; and
- (2) has all requisite power and authority to own and operate its properties and to carry on its activities as now conducted and as presently proposed to be conducted.

(b) Full Disclosure. There is no fact that the City knows of which has not been specifically disclosed in writing to the Bank that materially and adversely affects or, except for pending or proposed legislation or regulations that are a matter of general public information affecting Florida municipalities generally, that will materially affect adversely the properties, activities, prospects or condition (financial or otherwise) of the City or the ability of the City to perform its obligations under this Agreement.

The financial statements, including balance sheets, and any other written statement furnished by the City to the Bank do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading.

(c) Pending Litigation. There are no proceedings pending, or to the knowledge of the City after due inquiry, threatened, against or affecting the City, except as specifically described in writing to the Bank in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the ability of the City to make the Basic Payments hereunder, or the existence or powers or ability of the City to enter into and perform its obligations under this Agreement.

(d) Borrowing Legal and Authorized. The execution and delivery of this Agreement and the consummation of the transactions provided for in this Agreement and compliance by the City with the provisions of this Agreement:

- (1) are within the powers of the City and have been duly and effectively authorized by all necessary action on the part of the City; and
- (2) do not and will not (i) conflict with or result in any material breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the City pursuant to any indenture, loan agreement or other agreement or instrument (other than this Agreement) or restriction to which the City is a party or by which the City, its properties or operations are

bound as of the date of this Agreement or (ii) with the giving of notice or the passage of time or both, constitute a breach or default or so result in the creation or imposition of any lien, charge or encumbrance, which breach, default, lien, charge or encumbrance (described in (i) or (ii)) could materially and adversely affect the validity or the enforceability of this Agreement or the City's ability to perform fully its obligations under this Agreement; nor does such action result in any violation of the provisions of the Act, or any laws, ordinances, governmental rules or regulations or court orders to which the City, or its properties or operations may be bound.

(e) No Defaults. No event has occurred and no condition exists that constitutes an Event of Default, or which, upon the execution and delivery of this Agreement and/or the passage of time or giving of notice or both, would constitute an Event of Default. The City is not in violation in any material respect, and has not received notice of any claimed violation (except such violations as (i) heretofore have been specifically disclosed in writing to, and have been in writing specifically consented to by the Bank and (ii) do not, and shall not, have any material adverse effect on the transactions herein contemplated and the compliance by the City with the terms hereof), of any terms of any agreement or other instrument to which it is a party or by which it, its properties or operations may be bound, which may materially adversely affect the ability of the City to perform hereunder.

(f) Governmental Consent. The City has obtained, or will obtain when required, all permits, approvals and findings of non-reviewability required as of the date hereof by any governmental body or officer for the project financed with the proceeds of the Prior Loan, including acquisition, construction, reconstruction, improving and equipping thereof, the financing or refinancing thereof or the reimbursement of the City therefor, or the use of such project or the proceeds of the Prior Loan, and, prior to the making of the Loan, the City will obtain all other such permits, approvals and findings as may be necessary for the foregoing and for such Loan and the proper application thereof; the City has complied with or will comply with all applicable provisions of law requiring any notification, declaration, filing or registration with any agency or other governmental body or officer in connection with the acquisition or installation of the project financed with the proceeds of the Prior Loan, including acquisition, construction, reconstruction, improving and equipping thereof necessary for such acquisition or installation, financing or refinancing thereof or reimbursement of the City therefor; and any such action contemplated in this Loan Agreement is consistent with, and does not violate or conflict with, the terms of any such agency or other governmental consent, order or other action which is applicable thereto. No further consent, approval or authorization of, or filing, registration or qualification with, any governmental authority is required on the part of the City as a condition to the execution and delivery of this Loan Agreement, or to amounts becoming outstanding hereunder.

(g) Compliance with Law. The City is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, and which are material to its properties, operations, finances or status as a municipal corporation or subdivision of the State, as applicable, and this Loan Agreement is a legal and binding obligation of the City enforceable against the City in accordance with its terms, except to the extent that the enforceability hereof may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be

subject to the exercise of judicial discretion in accordance with general principles of equity, and to the sovereign police powers of the State and the constitutional powers of the United States of America.

(h) Use of Proceeds.

(1) The City will apply the proceeds of the Loan from the Bank solely for the refinancing of the Prior Loan.

(2) The City will be responsible for repaying, through its Basic Payments, the Note.

(3) The City covenants that it will make no use of the proceeds of the Loan which are in its control at any time during the term of the Note which would cause such Note to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(4) The City covenants that the City shall neither take any action nor fail to take any action within its power and control, and to the extent that it may do so, permit any other party to take any action which, if either taken or not taken, would adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Note.

(i) Prior Loan. All items financed or refinanced from the proceeds of the Prior Loan are permitted to be refinanced with the proceeds of the Note and the Loan pursuant to the Act, and all proceeds of the original loans, including investment earnings thereon, have been fully expended.

SECTION 2.02. Covenants of City. The City makes the following covenants and representations as of the date first above written and such covenants shall continue in full force and effect during the Loan Term:

(a) Security for the Loan and Loan Payments. Subject to the provisions of Section 2.02(l) hereof, the City covenants and agrees to appropriate in its annual budget, by amendment, if required, and to pay when due under this Loan Agreement as promptly as money becomes available directly to the Bank, amounts of Non-Ad Valorem Revenues of the City sufficient to satisfy the Loan Payments as required under this Loan Agreement. Such covenant is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all required Loan Payments, including delinquent Loan Payments, shall have been budgeted, appropriated and actually paid to the Bank. The City further acknowledges and agrees that the obligations of the City to include the amount of any deficiency in Loan Payments in each of its annual budgets and to pay such deficiencies from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein. Notwithstanding the foregoing or any provision of this Loan Agreement to the contrary, the City does not covenant to maintain any services or programs now

maintained by the City which generate Non-Ad Valorem Revenues or to maintain the charges it presently collects for any such services or programs.

The City agrees that its covenant to budget and appropriate Non-Ad Valorem Revenues shall be deemed entered into for the benefit of the Bank.

(b) Delivery of Information to the Bank. The City shall deliver to the Bank as soon as available and in any event within two hundred ten (210) days after the end of each Fiscal Year a copy of its audited financial statements as of the end of such Fiscal Year, all reported by an independent certified public accountant, and a copy of its annual budget within thirty (30) days after adoption. The City's chief financial officer shall discuss City's financial matters with the Bank and provide the Bank with copies of any documents reasonably requested by the Bank unless such documents or material are protected or privileged from disclosure under applicable State law.

(c) Delivery of Information to the Bank. The City agrees to provide to the Bank, not later than December 31st of each year, a certificate of its chief financial officer stating that to the best of its knowledge to the effect that the City is in compliance with the terms and conditions of this Loan Agreement, or, specifying the nature of any noncompliance and the remedial action taken or proposed to be taken to cure such noncompliance.

(d) Indemnity. To the extent set forth below, the City shall defend, indemnify and hold harmless (collectively the indemnification) the Bank, each member, officer, commissioner, employee and agent of the Bank and each other person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Bank, from and against, any and all liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees), suits, claims and judgments of whatsoever kind and nature (including any injury to, or death of, any person or any damage to property resulting from the use or operation of the project financed with the proceeds of the Prior Loan) in any manner directly or indirectly (by way of the City, its successors and assigns, or directly or indirectly through the agents, contractors, employees, licensees or otherwise of the City or its successors and assigns) arising or resulting from, out of, or in connection with, the project financed with the proceeds of the Prior Loan, this Loan Agreement, as a result of the breach or violation of any agreement, covenant, representation or warranty by the City set forth in this Loan Agreement or any document delivered pursuant hereto or thereto or in connection herewith or therewith, but not including an action arising from the alleged invalidity of the Note, except to the extent that such invalidity is caused by an act or omission of the City or is caused by the invalidity of this Loan Agreement with respect to the City. In connection therewith, the Bank agrees to use counsel reasonably acceptable to the City. The Bank shall give to the City prompt notice of any such suits or claims.

This indemnification shall be construed to limit recovery by the indemnified party against the City to only those damages that are found to result from the sole negligence of the City, its governing body, or its employees. This indemnification shall not be construed to be an indemnification for the acts, or omissions of third parties, independent contractors or third party agents of the City. This indemnification shall not be construed as a waiver of the City's

sovereign immunity, and shall be interpreted as limited to only such traditional liabilities for which the City could be liable under the common law interpreting the limited waiver of sovereign immunity. An action may not be instituted on an indemnification claim against the City unless the claimant presents the claim in writing to the City's Risk Manager within three (3) years after such claim accrues or the City's Risk Manager denies the claim in writing. For purposes of this paragraph (d), the requirements of notice to the City's Risk Manager and denial of the claim are conditions precedent to maintaining an action but shall not be deemed to be elements of the cause of action and shall not affect the date on which the cause of action accrues. Notwithstanding any other provisions of this paragraph (d), the value of this indemnification, including attorneys fees and costs associated therewith, is limited to the maximum sum of \$200,000 as the result of all claims and judgments arising out of the same incident or occurrence, not to exceed the sum of \$100,000 for any claim or judgment or portions thereof, except with respect to an action arising from the invalidity of the Note to the extent that such invalidity is caused by an act or omission of the City or is caused by the invalidity of this Loan Agreement with respect to the City.

The foregoing notwithstanding, nothing herein contained shall be construed and neither the Bank, nor any other Noteholder shall have the right to compel the exercise of the taxing power of the City in any form for the payment by the City of its obligations, if any, hereunder.

The provisions of this paragraph (d) shall survive the termination of this Loan Agreement.

(e) Special Covenants and Financial Ratios of the City.

(1) The City covenants that in each Fiscal Year of the City, it will not issue non-self-supporting revenue debt if after the issuance of such debt, maximum annual debt service resulting from the total outstanding non-self-supporting revenue debt service of the City exceeds 50% of total general purpose Non-Ad Valorem Revenues of the City received in the immediately preceding Fiscal Year of the City. As used above, the term "non-self-supporting revenue debt" shall not include any debt payable from revenues of a utility system. The City covenants not to incur any indebtedness payable from Non-Ad Valorem Revenues unless (a) it has received the written consent of the Bank (which consent shall not be unreasonably withheld) or (b) the Non-Ad Valorem Revenues (including investment income) of the City for the preceding Fiscal Year were at least 2.00 times average annual debt service of all indebtedness of the City payable from such sources. For the purpose of calculating "maximum annual debt service" or "annual debt service" on any indebtedness which bears interest at a variable rate, such indebtedness shall be deemed to bear interest at the greater of (i) 1.25 times the most recently published Bond Buyer Revenue Bond 30 Year Index or (ii) 1.25 times actual average interest rate during the prior Fiscal Year of such City.

(2) Further, within two hundred ten (210) days after the end of each Fiscal Year, the City covenants that it will annually provide the following ratio calculation to the Bank: the Non-Ad Valorem Revenues (including investment income) of the City for the preceding Fiscal Year, divided by average annual debt service of all indebtedness of the City payable from such sources. For the purpose of calculating "annual debt service" on any indebtedness which bears interest at

a variable rate, such indebtedness shall be deemed to bear interest at the greater of (i) 1.25 times the most recently published Bond Buyer Revenue Bond 30 Year Index or (ii) 1.25 times actual average interest rate during the prior Fiscal Year of such City.

(f) Further Assurance. The City shall execute and deliver to the Bank all such documents and instruments and do all such other acts and things as may be reasonably necessary to enable the Bank to exercise and enforce its rights under this Loan Agreement and to realize thereon, and record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be reasonably necessary or required by the Bank to validate, preserve and protect the Bank's security under this Loan Agreement.

(g) Keeping of Records and Books of Account. The City shall keep or cause to be kept proper records and books of account, in which correct and complete entries will be made in accordance with generally accepted accounting principles, consistently applied (except for changes concurred in by the City's independent auditors) reflecting all of its financial transactions.

(h) Payment of Taxes, Etc. The City shall pay all legally contracted obligations when due and shall pay all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims, which, if unpaid, might become a lien or charge upon any of its properties, provided that it shall not be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by appropriate proceedings, which shall operate to stay the enforcement thereof.

(i) Compliance with Laws, Etc. The City shall comply with the requirements of all applicable laws, the terms of all grants, rules, regulations and lawful orders of any governmental authority, non-compliance with which would, singularly or in the aggregate, materially adversely affect its business, properties, earnings, prospects or credit, unless the same shall be contested by it in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

(j) Tax-Exempt Status of Note. The City understands that it is the intention hereof that the interest on the Note not be included within the gross income of the Holders thereof for federal income tax purposes. In furtherance thereof, the City agrees that it will take all action within its control which is necessary in order for the interest on the Note or this Loan to remain excluded from gross income for federal income taxation purposes and shall refrain from taking any action which results in such interest becoming included in gross income. The City further covenants that, to the extent it has control over the proceeds of the Note, it will not take any action or fail to take any action with respect to the investment of the proceeds of any Note, with respect to the payments derived from the Note or hereunder, which action or failure to act may cause the Note to be "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code and the regulations promulgated thereunder. In furtherance of the covenants contained in this paragraph (j), the City agrees to comply with the Tax Certificate as to Arbitrage and the provisions of Section 141 through 150 of the Code, as amended, including the letter of

instruction attached as an exhibit to the Tax Certificate, delivered by Bond Counsel to the City simultaneously with the issuance of the Note, as such letter may be amended from time to time, as a source of guidelines for achieving compliance with the Code.

(k) Information Reports. The City covenants to provide the Bank with all material and information it possesses or has the ability to possess necessary to enable the Bank to file all reports required under Section 149(e) of the Code to assure that interest paid by the City on the Note shall, for purposes of the federal income tax, be excluded from gross income.

(l) Limited Obligations. Anything in this Loan Agreement to the contrary notwithstanding, it is understood and agreed that all obligations of the City hereunder shall be payable only from Non-Ad Valorem Revenues budgeted and appropriated as provided for hereunder and nothing herein shall be deemed to pledge ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets or property owned by the City and no Noteholder or any other person may compel the levy of ad valorem taxes on real or personal property within the boundaries of the City. The obligations hereunder do not constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision or limitation, and the Noteholder nor any other person shall have the right to compel the exercise of the ad valorem taxing power of the City or taxation of any real or personal property therein for the payment by the City of its obligations hereunder. Except to the extent expressly set forth in this Loan Agreement, this Loan Agreement and the obligations of the City hereunder shall not be construed as a limitation on the ability of the City to pledge or covenant to pledge said Non-Ad Valorem Revenues or any revenues or taxes of the City for other legally permissible purposes. Notwithstanding any provisions of this Agreement or the Note to the contrary, the City shall never be obligated to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues or the rates for such services or regulatory fees. Neither this Loan Agreement nor the obligations of the City hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the City, but shall be payable solely as provided in Section 2.02(a) hereof and is subject in all respects to the provisions of Section 166.241, Florida Statutes, and is subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City.

The Bank understands that the amounts available to be budgeted and appropriated to make Loan Payments hereunder are subject to the obligation of the City to provide essential governmental services; however, such obligation to make Loan Payments is cumulative and would carry over from Fiscal Year to Fiscal Year.

Moreover, the covenant to budget and appropriate for the purposes and in the manner and to the extent stated herein shall have the effect of making available for the payment of the Note, in the manner described herein, Loan Payments, and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Section 166.241, Florida Statutes and other restrictions set forth this subsection.

ARTICLE III

THE LOAN AND THE NOTE

SECTION 3.01. Note Issuance and the Loan. The Bank hereby agrees to lend to the City and the City hereby agrees to borrow from the Bank the sum of \$8,595,000. This amount includes amounts which the City will use for the cost of the initial issuance of the Note subject to the terms and conditions contained in this Loan Agreement. The amounts advanced net of the cost of the initial issuance are to be used by the City for the purposes of financing or refinancing the cost of, or receiving reimbursement for the cost of, the Prior Loan in accordance with the provisions of this Loan Agreement. The Bank hereby approves the form of the Note attached hereto as **Exhibit D** and the City hereby agrees to issue the Note to the Bank as set forth herein.

SECTION 3.02. Evidence of Loan. The City's obligation hereunder to repay amounts advanced pursuant to Section 3.01, together with interest thereon, and other payments required under this Loan Agreement, shall be evidenced by this Loan Agreement.

SECTION 3.03. Purchase of Note. The Bank agrees to purchase the Note from the City for the amount of \$8,595,000, which amount is hereby used to fund the Loan to the City.

SECTION 3.04. Description of the Note. The Note shall be dated as of the date of Closing; shall mature on the Maturity Date and shall be in registered form. The Note shall bear interest from the date of Closing until payment of the entire outstanding principal amount due thereon. The rate of interest shall be 2.60% (subject to adjustment as provided in the Note). Interest on the Note shall be paid on each Interest Payment Date, commencing July 1, 2017. Principal shall be paid annually on July 1 each year until the Maturity Date.

The Note shall have the further terms set forth in **Exhibit D**.

ARTICLE IV

LOAN TERM AND LOAN CLOSING REQUIREMENTS

SECTION 4.01. Commencement of Loan Term. The City's obligations under this Loan Agreement shall commence on the date hereof unless otherwise provided in this Loan Agreement.

SECTION 4.02. Termination of Loan Term. The City's obligations under this Loan Agreement shall terminate after payment in full of all amounts due under this Loan Agreement and all amounts not theretofore paid shall be due and payable at the times and in the amounts set forth in **Exhibit C** attached hereto plus accrued interest; provided, however, that all covenants and all obligations provided hereunder specified to so survive shall survive the termination of this Loan Agreement and the payment in full of principal and interest hereunder. Upon termination of the Loan Term as provided above, the Bank shall deliver, or cause to be delivered, to the City an acknowledgment thereof.

SECTION 4.03. Loan Closing Submissions. Concurrently with the execution and delivery of this Loan Agreement, the City is providing to the Bank the following documents each dated the date of such execution and delivery unless otherwise provided below:

- (a) A certified resolution or ordinance of the City authorizing the Loan and this Agreement;
- (b) An opinion of the City's Counsel in substantially the form attached hereto as **Exhibit B**;
- (c) A certificate of the officials of the City who sign this Loan Agreement to the effect that the representations and warranties of the City herein are true and correct;
- (d) This executed Loan Agreement;
- (e) An opinion (addressed to the Bank and the City) of Bond Counsel to the effect that such financing, refinancing or reimbursement with Loan proceeds is permitted under the Act and the resolution authorizing this Loan Agreement, the interest on the Note is not included in gross income for purposes of federal income taxation, and the Note has been duly authorized and is a legal and valid obligation of the City; and
- (f) Such other certificates, documents, opinions and information as the Bank or Bond Counsel may require.

All opinions and certificates shall be dated the date of the Closing.

ARTICLE V

LOAN PAYMENTS

SECTION 5.01. Payment of Loan Payments, Including Basic Payments. The City shall have the exclusive obligation to pay all Loan Payments in lawful money of the United States of America to the Bank as payment on the Note. No such Loan Payment shall be in an amount such that interest on the Loan is in excess of the Maximum Rate allowed by the laws of the State or of the United States of America. The Loan shall be repaid in Basic Payments, consisting of:

(a) principal in the amounts and on the dates set forth in **Exhibit C** (provided, however, that presentment of the Note shall only be required with respect to the final payment of principal); plus

(b) interest calculated at the rate and on the dates set forth herein and in **Exhibit C**, as adjusted from time to time pursuant to the terms of the Note.

SECTION 5.02. [RESERVED].

SECTION 5.03. Obligations of City Unconditional. Subject in all respects to the provisions of this Loan Agreement, including but not limited to Section 2.02(a) and (l) hereof, the obligations of City to make the Loan Payments required hereunder and to perform and observe the other agreements on its part contained herein, shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while the Note remains outstanding or any Loan Payments remain unpaid, regardless of any contingency, act of God, event or cause whatsoever. The City shall pay in full the Loan Payments and all other payments required hereunder, regardless of any rights of set-off, recoupment, abatement or counterclaim that City might otherwise have against the Bank or any other party or parties.

SECTION 5.04. Prepayment. The Loan may be prepaid in whole or in part by the City on the same terms as set forth in the form of the Note attached hereto as **Exhibit D**.

ARTICLE VI

ASSIGNMENT AND PAYMENT BY THIRD PARTIES

SECTION 6.01. [RESERVED].

SECTION 6.02. Assignment by City. This Loan Agreement may not be assigned by the City for any reason without the express prior written consent of the Bank.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. Events of Default Defined. The following shall be “Events of Default” under this Loan Agreement and the terms “Event of Default” and “Default” shall mean (except where the context clearly indicates otherwise), whenever they are used in this Loan Agreement, any one or more of the following events:

(a) Failure by the City to timely pay any Loan Payment so long as the Note is outstanding;

(b) Failure by the City to timely pay any other payment required to be paid hereunder on the date on which it is due and payable, provided the City has prior written notice of any such payments being due;

(c) Failure by the City to observe and perform any covenant, condition or agreement other than a failure under (a), on its part to be observed or performed under this Loan Agreement, for a period of thirty (30) days after notice of the failure, unless the Bank shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Bank, but cannot be cured within the applicable 30-day period, the Bank will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the failure is corrected;

(d) Any warranty, representation or other statement by the City or by an officer or agent of the City contained in this Loan Agreement or in any instrument furnished in compliance with or in reference to this Loan Agreement, is false or misleading in any material respect when made;

(e) A petition is filed against the City under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within sixty (60) days of such filing;

(f) The City files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(g) The City admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the City or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than sixty (60) days;

(h) Default under any agreement to which the City is a party evidencing, securing or otherwise respecting any indebtedness of the City outstanding in the amount of \$500,000 or more if, as a result thereof, such indebtedness may be declared immediately due and payable or other remedies are exercised with respect thereto;

(i) Any material provision of this Loan Agreement shall at any time for any reason cease to be valid and binding on the City, or shall be declared to be null and void, or the validity or enforceability of this Loan Agreement shall be contested by the City, or if the City shall deny any further liability or obligation under this Loan Agreement; and

(j) Final judgment for the payment of money in the amount of \$500,000 or more is rendered against the City, the payment of which would materially adversely affect the City's ability to meet its obligations hereunder (it being agreed that, if insurance or adequate reserves are available to make such payment, such judgment would not materially affect the City's ability to meet its obligations hereunder) and at any time after ninety (90) days from the entry thereof, unless otherwise provided in the final judgment, (i) such judgment shall not have been discharged, and (ii) the City shall not have taken and be diligently prosecuting an appeal therefrom and, to the extent that any final process or proceeding supplementary to enforce such judgment is lawfully available, such process or proceeding has not been stayed pending determination of such appeal, liable to pay such judgment pursuant to the provisions of Chapter 768, Florida Statutes or other applicable law.

SECTION 7.02. Notice of Default. The City agrees to give the Bank prompt written notice if any petition, assignment, appointment or possession referred to in Section 7.01(e), 7.01(f) and 7.01(g) is filed by or against the City or of the occurrence of any other event or condition which constitutes a Default or an Event of Default, or with the passage of time or the giving of notice would constitute an Event of Default, immediately upon becoming aware of the existence thereof.

SECTION 7.03. Remedies on Default.

(a) If an Event of Default exists under Section 7.01(a), the Bank may declare the principal of the Note and the Loan and the interest accrued thereon to be due and payable immediately, by a notice in writing to the City, and upon any such declaration such principal and the interest accrued thereon to the date of declaration shall become immediately due and payable.

(b) At any time after such a declaration of acceleration has been made pursuant to subsection (a) of this Section, the Bank, by written notice to the City, may rescind and annul such declaration.

(c) Whenever any Event of Default referred to in Section 7.01 hereof shall have happened and be continuing, the Bank shall, in addition to any other remedies herein or by law provided, have the right, at its option without any further demand or notice, to take whatever other action at law or in equity which may appear necessary or desirable to collect amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder. Notwithstanding any other provisions hereof, in an Event of Default referenced to in Section

7.01(a), the Bank shall have the sole authority to determine whether to exercise any remedies provided herein or by law and in what matter.

SECTION 7.04. No Remedy Exclusive; Waiver, Notice. No remedy herein conferred upon or reserved to the Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice other than such notice as may be required in this Article VII.

SECTION 7.05. Application of Moneys. Any moneys collected by the Bank pursuant to Section 7.03 hereof shall be applied (a) first, to pay interest due on the Loan, (b) second, to pay principal due on the Loan, (c) third, to pay any other amounts due hereunder, and (d) fourth, to pay interest and principal on the Loan and other amounts payable hereunder but which are not due, as they become due (in the same order, as to amounts which come due simultaneously, as in (a) through (c) in this Section 7.05).

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Notices. All notices, certificates or other communication hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

Bank: PNC Bank, National Association
420 South Orange Avenue, Suite 300
Orlando, Florida 32801
Attention: Nicholas Ayotte

City: City of Hollywood, Florida
2600 Hollywood Boulevard, Room 120
Hollywood, Florida 33114
Attention: Finance Director

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 8.02. Binding Effect. This Loan Agreement shall inure to the benefit of the Bank and the City, and shall be binding upon the Bank and the City and their respective successors and assigns.

SECTION 8.03. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 8.04. Amendments, Changes and Modifications. No amendment to this Loan Agreement shall be effective unless agreed to in writing by the Bank and the City.

SECTION 8.05. Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which, when so executed and delivered, shall be an original and all of which shall constitute but one and the same instrument.

SECTION 8.06. Applicable Law; Jurisdiction; Waiver of Jury Trial. This Loan Agreement shall be governed by and construed in accordance with the laws of the State. The parties hereto consent to Florida jurisdiction and agree to waive trial by jury.

SECTION 8.07. Benefit of Noteholders. This Loan Agreement is executed in part to induce the purchase by the Bank of the Note. Accordingly, all covenants, agreements and representations on the part of the City, as set forth in this Loan Agreement, are hereby declared to be for the benefit of the Holders from time to time of the Note.

SECTION 8.08. Consents and Approvals. Whenever the written consent or approval of the City shall be required under the provisions of this Loan Agreement, such consent or approval may be given by an Authorized Representative of the City or such other additional persons provided by law or by rules, regulations or resolutions of the City.

SECTION 8.09. Immunity of Officers, Employees and Members of the City. No recourse shall be had for the payment of the principal of or premium or interest hereunder or for any claim based thereon or upon any representation, obligation, covenant or agreement in this Loan Agreement against any past, present or future official, officer, member, counsel, employee, director or agent, as such, of the City, either directly or through the City, or respectively, any successor public or private corporation thereto under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, counsels, employees, directors or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement.

SECTION 8.10. Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of sections of this Loan Agreement.

SECTION 8.11. Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Loan Agreement, shall be other than on a Business Day, such payments may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Loan Agreement.

SECTION 8.12. Calculations. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 8.13. Time of Payment. Any Loan Payment or other payment hereunder which is received by the Bank after 2:00 p.m. (New York time) on any day shall be deemed received on the following Business Day.

IN WITNESS WHEREOF, the City of Hollywood, Florida, has caused this Loan Agreement to be executed in its corporate name with its corporate seal hereunto affixed and attached by its duly authorized officers and PNC Bank, National Association has caused this Loan Agreement to be executed in its corporate name by a duly authorized officer. All of the above occurred as of the date first above written.

(SEAL)

CITY OF HOLLYWOOD, FLORIDA

By: _____
Name: Josh Levy
Title: Mayor

ATTEST:

By: _____
Name: Patricia A. Cerny, MMC
Title: City Clerk

Approved as to form and legality for
the use and reliance of the City of
Hollywood, Florida, only.

By: _____
Name: Jeffrey P. Sheffel
Title: City Attorney

PNC BANK, NATIONAL ASSOCIATION

By: _____
Name: Nicholas Ayotte
Title: Vice President

EXHIBIT A

CITY OF HOLLYWOOD, FLORIDA USE OF LOAN PROCEEDS

DESCRIPTION OF PROJECTS TO BE REFINANCED

Projects financed or refinanced from proceeds of Prior Loan include:

<u>PROJECTS</u>	<u>TOTAL AMOUNT TO BE REFINANCED</u>
<ol style="list-style-type: none">1. Various capital projects financed pursuant to that certain Loan Agreement dated April 1, 1999 between the City of Hollywood, Florida and the First Florida Governmental Financing Commission, including without limitation, parks and recreation facilities and equipment, right-of-way improvements, public facilities improvements, computer system improvements, and neighborhood master plans; and2. Various capital projects financed pursuant to that certain Loan Agreement dated March 15, 2002 between the City of Hollywood, Florida and the First Florida Governmental Financing Commission, including without limitation, right-of-way improvements, public safety, and park facilities; and3. Various capital projects financed pursuant to that certain Loan Agreement dated March 1, 2003 between the City of Hollywood, Florida and the First Florida Governmental Financing Commission, including without limitation, parks and recreation facilities reconstruction, design and land acquisition of a public safety complex and other public safety improvements, acquisition of fire apparatus and ALS unit, street resurfacing, traffic calming, and other rights-of-way improvements, public marina improvements, and City-wide ADA compliance improvements.	<u>\$8,595,000.00</u>
TOTAL:	<u>\$8,595,000.00</u>

EXHIBIT B

OPINION OF CITY'S COUNSEL

[Letterhead of City Attorney]

February 3, 2017

Greenberg Traurig, P.A.
Miami, Florida

PNC Bank, National Association
Orlando, Florida

Gentlemen:

I am City Attorney for the City of Hollywood, Florida (the "City"), and have been requested by the City to give this opinion in connection with the loan (the "Loan") by PNC Bank, National Association (the "Bank") to the City of funds to refinance the cost of certain projects, as described in Exhibit A of the Loan Agreement, dated this date, between the City and the Bank (the "Loan Agreement"). The obligation of the City to repay the Loan is evidenced by the \$8,595,000 Refunding Revenue Note, Series 2017 (the "Note"), of the City dated this date. The Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Loan Agreement.

In this connection, I have reviewed such records, certificates and other documents as I have considered necessary or appropriate for the purposes of this opinion, including applicable laws and ordinances enacted by the City Commission of the City, the Loan Agreement, the Note and Resolution No. 17-__ adopted by the City Commission of the City on February 1, 2017 (the "Resolution"). Based on such review, and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

(a) The City is a municipal corporation duly organized and validly existing under the Constitution and laws of the State of Florida. The City has the legal right and all requisite power and authority to enter into and deliver the Loan Agreement and the Note, to adopt the Resolution and to consummate the transactions contemplated thereby and otherwise to carry on its activities and own its property.

(b) The City has duly adopted the Resolution and authorized, executed and delivered the Loan Agreement and the Note, and such instruments are each legal and binding obligations of the City enforceable against the City in accordance with their terms, except to the extent that the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium

or other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity, and to the sovereign police powers of the State of Florida and the constitutional powers of the United States of America. The Note is a special limited obligation of the City payable solely from the sources made available by the City pursuant to the Loan Agreement. Neither the general credit nor the taxing power of the City nor the State of Florida or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Note.

(c) The adoption of the Resolution and the execution and delivery of the Loan Agreement, the consummation of the transactions contemplated thereby, the refinancing of the Prior Loan and the fulfillment of or compliance with the terms and conditions of the Loan Agreement, to the best of my knowledge after due inquiry, do not and will not conflict with or result in a material breach of or default under any of the terms, conditions or provisions of any agreement, contract or other instrument, or law, ordinance, regulation, or judicial or other governmental order, to which the City is now a party or it or its properties are otherwise subject or bound, and, to the best of my knowledge after due inquiry, the City is not otherwise in violation of any of the foregoing in a manner material to the transactions contemplated by such agreements.

(d) There is no litigation or legal or governmental action, proceeding, inquiry or investigation pending against the City or, to the best of my knowledge after due inquiry, threatened against the City, or to which the City is a party or of which any property of the City is subject, which has not been disclosed in writing to the Bank and which, if determined adversely to the City, would individually or in the aggregate materially and adversely affect the validity or the enforceability of the Loan Agreement or the Note, or the properties or conditions (financial or otherwise) of the City, or the ability of the City to enter into and perform its obligations under the Loan Agreement or the Note

(e) Any indebtedness being refinanced, directly or indirectly, with the proceeds of the Note was initially incurred by the City, and the proceeds of such indebtedness have been fully expended, to finance the cost of the projects financed or refinanced, directly or indirectly with the proceeds of such indebtedness.

I am an attorney admitted to practice law only in the State of Florida and express no opinion as to the laws of any other state and further express no opinion as to the status of interest on the Note under either Federal laws or the laws of the State of Florida.

My opinion is limited in all respects to the laws in existence on the date hereof. By providing this opinion to you, I do not undertake to advise you of any changes in the law which may occur after the date hereof.

This letter is furnished to you solely in connection with the transaction described herein, and may not be quoted, furnished to or relied upon by any other person in any manner or for any purpose.

Very truly yours,

EXHIBIT C

PRINCIPAL AMORTIZATION AND DEBT SERVICE SCHEDULE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2017	1,575,000	2.600%	91,871	1,666,871	1,666,871
01/01/2018			91,260	91,260	
07/01/2018	1,615,000	2.600%	91,260	1,706,260	1,797,520
01/01/2019			70,265	70,265	
07/01/2019	1,660,000	2.600%	70,265	1,730,265	1,800,530
01/01/2020			48,685	48,685	
07/01/2020	1,215,000	2.600%	48,685	1,263,685	1,312,370
01/01/2021			32,890	32,890	
07/01/2021	1,250,000	2.600%	32,890	1,282,890	1,315,780
01/01/2022			16,640	16,640	
07/01/2022	1,280,000	2.600%	16,640	1,296,640	1,313,280
	8,595,000		611,351	9,206,351	9,206,351

EXHIBIT D

FORM OF NOTE

\$8,595,000
CITY OF HOLLYWOOD, FLORIDA
REFUNDING REVENUE NOTE, SERIES 2017

<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUE</u>
2.60% (subject to adjustment as described herein)	July 1, 2022	February 3, 2017
REGISTERED OWNER:	PNC BANK, NATIONAL ASSOCIATION	
PRINCIPAL AMOUNT:	EIGHT MILLION FIVE HUNDRED NINETY-FIVE THOUSAND AND NO/100 DOLLARS	

KNOW ALL MEN BY THESE PRESENTS, that the City of Hollywood, Florida (the “City”), for value received, hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on July 1, 2017, and on each July 1 thereafter, to and including the Maturity Date specified above, the installments of the above Principal Amount as shown on Schedule II attached hereto and forming a part hereof (the “Schedule”) and not previously repaid, and to pay solely from such funds interest on the outstanding Principal Amount hereof from the date of this Note or from the most recent date to which interest has been paid, whichever is applicable, at the Rate of Interest shown above, subject to adjustment as set forth in Schedule I attached hereto, such interest being payable semi-annually on each January 1 and July 1 (an “Interest Payment Date”) commencing July 1, 2017, with all unpaid interest being due on the Maturity Date or upon the earlier payment of principal hereunder, by wire transfer in accordance with written instructions delivered by the Registered Owner to the City or by such other medium acceptable to the City and to such Registered Owner. Anything provided herein or in this Note to the contrary notwithstanding, in no event shall this Note bear interest in excess of the Maximum Rate.

The principal of, premium, if any, and interest on this Note are payable in lawful money of the United States of America. Interest due hereon shall be calculated on the basis of a 360-day year of twelve 30-day months.

This Note shall be subject to optional prepayment prior to maturity at the option of the City on any date, at the Prepayment Price plus accrued interest. “Prepayment Price” means an amount equal to the present value, if positive, of the product of (a) the difference between (i) the yield, on the beginning date of the Applicable Interest Period, of a U.S. Treasury obligation with a maturity similar to the Applicable Interest Period minus (ii) the yield on the prepayment date, of a U.S. Treasury obligation with a maturity similar to the remaining maturity of the applicable interest period, and (b) the principal amount to be prepaid, and (c) the number of years, including fractional years, from the prepayment date to the end of the Applicable Interest Period. The yield on any U.S. Treasury obligation shall be determined by reference to Federal

Reserve Statistical Release H.15(519) "Selected Interest Rates." For purposes of making present value calculations, the yield, on the beginning date of the Applicable Interest Period, of a U.S. Treasury obligation with a maturity similar to the Applicable Interest Period shall be deemed the discount rate. For purposes of determining the Prepayment Price, a separate calculation shall be made with respect to each principal amortization payment date (and the final maturity date) with respect the Note prepaid, using the period from the prepayment date to the respective amortization installment due date as the "Applicable Interest Period", and the sum of such calculations shall be the Prepayment Price.

This Note is issued to refinance the costs of the acquisition and construction of the Prior Loan, as described in the Loan Agreement, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 163, Part I, Florida Statutes, Chapter 166, Part II, Florida Statutes and other applicable provisions of law, and Resolution No. R-17-__ duly adopted by the City on February 1, 2017 (the "Resolution"), and pursuant to a Loan Agreement by and between PNC Bank, National Association and the City dated February 3, 2017 (the "Loan Agreement") which secures this Note, to which reference should be made to ascertain those terms and conditions.

This Note is payable from and secured solely by a lien upon and pledge of the Loan Payments, as defined and described in the Loan Agreement, all in the manner provided in, and subject to the terms and conditions of the Resolution and the Loan Agreement.

The principal of and interest on this Note do not constitute a general obligation or indebtedness of the City, and the Registered Owner shall never have the right to require or compel the levy of taxes on any property of or in the City for the payment of the principal of and interest on this Note. The issuance of the Note shall not directly, indirectly or contingently obligate the City, the State of Florida or any political subdivision or municipal corporation thereof to levy or pledge any form of ad valorem taxation for its payment but shall be payable solely from the funds and revenues described in the Loan Agreement.

Notwithstanding anything herein or in the Loan Agreement to the contrary, this Note may only be transferred in whole and not in part.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Florida to be performed, to exist and to happen precedent to and in the issuance of this Note, have been performed, exist and have happened in regular and due form and time as so required.

IN WITNESS WHEREOF, the City of Hollywood, Florida has caused this Note to be executed by the Mayor, and attested by the City Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Date of Issue above.

CITY OF HOLLYWOOD, FLORIDA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Schedule I

Rate of Interest Adjustment

Upon and during the continuance of an Event of Default and/or if the Rating falls below Baa2, or its equivalent if Moody's Investors Service, Inc. ("Moody's") changes its rating labels or criteria, or is withdrawn for credit quality reasons, and/or if the City fails to maintain a ratio of at least 1.25 times based upon the annual ratio calculation provided to the Bank pursuant to Section 2.02(e)(2) of the Loan Agreement, the Rate of Interest shall adjust to the Financial Distress Rate as of the date of the occurrence. "Financial Distress Rate" means the lesser of (a) the Maximum Rate, and (b) the Prime Rate plus 3.00% per annum. "Prime Rate" means that index rate of interest which the Registered Owner, from time to time announces as its prime rate, which rate is an index rate for guidance to loan officers and is not necessarily the best or lowest rate charged borrowing customers of the Registered Owner, or if such rate is no longer announced, such comparable prime rate as shall be published in the Wall Street Journal. "Rating" means the long-term rating on any debt of the City of Hollywood, Florida (the "City"), if any, which is secured by a covenant to budget legally available non-ad valorem revenues of the City (without regard to bond insurance or any other form of credit enhancement) assigned by Moody's. The City covenants and agrees that it will use its best efforts to maintain the Rating while this Note remains outstanding. If the City no longer has any other debt which is secured by a covenant to budget legally available non-ad valorem revenues of the City other than this Note, the City covenants and agrees to then get a Rating from Moody's assigned to this Note.

While this Note remains outstanding, upon the occurrence of a Determination of Taxability, the Rate of Interest shall be adjusted in such manner as shall be determined by the Registered Owner, absent manifest error, as shall be necessary to provide to the Registered Owner an after-tax yield on the then outstanding principal amount of this Note equal to the after-tax yield to the Registered Owner, if such determination had not been made, from the date such interest must be included in such gross income, whereupon the City shall reimburse the Registered Owner for the difference between (i) the interest then due computed at the adjusted rate, and (ii) the interest previously paid on this Note at the unadjusted rate, along with all costs, expenses, penalties, attorneys fees and all other losses incurred by the Registered Owner as a result of such Determination of Taxability (but not due to any negligent delay of the Registered Owner), within thirty (30) days after the date a written notice (including a copy of the Determination of Taxability) is delivered by the Registered Owner to the Bank and the City stating that such a determination has been made and stating the amount that is then due. The obligation to pay such additional interest and such other costs, expenses, penalties, attorney's fees and other losses shall survive the payment of the principal of this Note but shall be payable solely from Non-Ad Valorem Revenues budgeted and appropriated for such purpose in the manner and to the extent described in the Loan Agreement. "Determination of Taxability" means a final determination by the Internal Revenue Service that any interest portion of this Note is includable in the gross income of the Registered Owner under Section 103 of the Code.

Schedule II

Principal Payment Schedule

Payment Dates <u>(July 1)</u>	Principal <u>Amounts</u>
2017	1,575,000
2018	1,615,000
2019	1,660,000
2020	1,215,000
2021	1,250,000
2022	<u>1,280,000</u>
	\$8,595,000