

LOAN AGREEMENT

This Agreement (this “Agreement”) is made and entered into as of May __, 2020 and is by and between the City of Hollywood (the “City”) and Synovus Bank (the “Bank”), and its successors and assigns as holder of the hereinafter defined Bonds.

WHEREAS, the City Commission of the City did, on May 20, 2020, adopt Resolution No. R-2020-__ (the “Bond Resolution”) accepting the proposal from the Bank to lend the City \$11,700,000 to enable the City to finance capital improvements within the City consisting of ERP systems implementation, construction of lifeguard and first aid towers, the design and engineering of the Johnson Street Complete Street project, street resurfacing at various locations throughout the City, and the Hollywood Boulevard Complete Street project (collectively, the “Ten Year Project”), and the purchase of a local government radio system (non-public safety) including infrastructure equipment and subscriber/radio units, the installation of new alarm hardware and software at fire stations, recreation management software, and a closed circuit TV security camera system (collectively, the “Seven Year Project”, and together with the Ten Year Project, the “Project”); and

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

WHEREAS, to evidence the obligation of the City to repay the loan made by the Bank pursuant to this Agreement in respect of the Ten-Year Project, the City shall issue pursuant to the Bond Resolution and this Agreement its Capital Improvement Revenue Bond, Series 2020A, issued in the original principal amount of \$9,200,000.00 (the “Series 2020A Bond”); and

WHEREAS, to evidence the obligation of the City to repay the loan made by the Bank pursuant to this Agreement in respect of the Seven Year Project, the City shall issue pursuant to the Bond Resolution and this Agreement its Capital Improvement Revenue Bond, Series 2020B, issued in the original principal amount of \$2,500,000.00 (the “Series 2020B Bond” and, together with the Series 2020A Bond, the “Bonds”); and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the Bond Resolution;

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

ARTICLE I

DEFINITION OF TERMS

Section 1.1 Definitions. The words and terms used in this Agreement shall have the meanings as set forth in the Bond Resolution and in the recitals above, unless otherwise defined herein. Unless the context shall otherwise require, the following words and terms as used in this Agreement shall have the following meanings:

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

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

“Annual Debt Service Requirement” means for a given Fiscal Year the amount required to pay the principal and interest coming due on the Bonds during that Fiscal Year.

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

“Bonds” means the Series 2020A Bond and the Series 2020B Bond.

“Bond Payment Date” means, for so long as the Bonds shall remain outstanding, each February 1, August 1, May 1 and November 1 of each year, commencing August 1, 2020.

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

“City Manager” means the City Manager of the City.

“Clerk” means the Clerk or any Deputy Clerk of the City.

“Code” means the Internal Revenue Code of 1986, as amended, including the applicable regulations of the Department of the Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

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

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

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

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

“Fiscal Year” means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the City pursuant to general law.

“Governing Body” means the City Commission of the City, or its successor in function.

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

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

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

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

“Pledged Revenues” means the revenues received by the City from the levy of the business tax authorized under Chapter 205, Florida Statutes, as amended, and imposed by Ordinance No. O-95-44 enacted by the City Commission on July 26, 1995, as amended.

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

“Series 2020A Bond” shall have the meaning ascribed to it in the recitals to this Agreement.

“Series 2020B Bond” shall have the meaning ascribed to it in the recitals to this Agreement.

“State” means the State of Florida.

“Taxable Rate” means, upon the occurrence of a Determination of the Taxability with respect to the Bonds or a portion of the Bonds, the interest rate or interest rates on the Bonds or such portion of the Bonds to be in effect on and after the Accrual Date (as defined in Section 3.15 of this Agreement) calculated by dividing the interest rate on the Bonds or such portion of the Bonds, as the case may be, prior to the Accrual Date by 1 minus the maximum federal corporate tax rate then in effect.

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

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

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

ARTICLE II

REPRESENTATIONS OF CITY

The City represents and warrants to the Bank that:

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

Section 2.2 Authorization of Loan. The City has, had or will have, as the case may be, full legal right, power, and authority to adopt the Bond Resolution and to execute and deliver this Agreement, to issue, sell, and deliver the Bonds to the Bank, and to carry out and consummate all other transactions contemplated hereby and by the Loan Documents, and the City has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The City, by the Bond Resolution, has duly authorized the borrowing of the amount provided for in this Agreement, the execution and delivery of this Agreement, and the making and delivery of the Bonds to the Bank, and to that end the City warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Bonds. The City has duly adopted the Bond Resolution and authorized the execution, delivery, and performance of the Bonds and the Agreement and the taking of any and all other such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by the Loan Documents. The Bonds have been duly authorized, executed, issued and delivered to the Bank and constitute legal, valid and binding obligations of the City enforceable in accordance with their terms and the terms of the Bond Resolution (except as enforceability may be limited by general principles of equity which may permit the exercise of judicial discretion, and by bankruptcy, insolvency, moratorium, reorganization or similar laws relating to the enforcement of creditors' rights generally, now or after this date in effect), and are entitled to the benefits and security of the Bond

Resolution and this Agreement. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Bonds or the execution and delivery of or the performance by the City of its obligations under the Loan Documents have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect.

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

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

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

ARTICLE III

COVENANTS OF THE CITY

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

(a) **Use of Proceeds.** The City covenants that the proceeds from the Bonds will be used only to finance the Project and to pay closing costs. The City represents that, as of the date of issuance of the Bonds, there are no other bonds or obligations of the City secured by the Pledged Revenues.

(b) **Notice of Defaults.** The City shall within ten (10) days after it acquires knowledge thereof, notify the Bank in writing upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Bank with such written notice,

a detailed statement by a responsible officer of the City of all relevant facts and the action being taken or proposed to be taken by the City with respect thereto.

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

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

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

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

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

Section 3.2 Bank Fees, Costs and Expenses. The City hereby agrees to pay the fees and expenses of counsel to the Bank in connection with the issuance of the Bonds in the amount of \$11,000, said amount to be due and payable upon the issuance of the Bonds. In addition to the amounts described above in this Section, the City agrees to pay any and all other reasonable and necessary amounts, charges and expenses which the Bank may pay or incur in connection with any amendment of this Agreement requested by the City or any waiver under this Agreement requested by the City upon receipt by the City of a written statement of any such amounts.

Section 3.3 Registration and Exchange of Bonds; Persons Treated as Holder. So long as the Bonds shall remain unpaid, the City will keep books for the registration and transfer of the Bonds. The Bonds shall be transferable only upon such registration books. The City will transfer the registration of a Bond upon written request of the Bank specifying the name, address and taxpayer identification number of the transferee.

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

Section 3.4 Payment of Principal and Interest. The City promises that it will promptly pay the principal of and interest on the Bonds at the place, on the dates and in the manner

provided therein according to the true intent and meaning of this Agreement and thereof, provided that the principal of and interest on the Bonds are secured solely as provided in Sections 3.5 of this Agreement, and nothing in the Bonds, the Bond Resolution or this Agreement shall be construed as pledging any other funds or assets of the City to such payment.

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

THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF THE CONSTITUTION OF FLORIDA, BUT SHALL BE PAYABLE SOLELY FROM AND SECURED IN THE MANNER AND TO THE EXTENT PROVIDED IN SECTION 3.5. NO HOLDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY TO PAY SUCH BONDS OR THE INTEREST THEREON, NOR SHALL ANY HOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL AND INTEREST FROM ANY OTHER FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, ALL IN THE MANNER AND TO THE EXTENT HEREIN PROVIDED.

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

Section 3.6 [RESERVED].

Section 3.7 Prepayment. The Bonds are subject to optional prepayment upon five (5) Business Days written notice to the Holder of the Bonds, in whole or in part on any Business Day, at par, plus accrued interest to the date of prepayment, together with the hereinafter defined Prepayment Charge. Any prepayment of the Bonds on or prior to May __, 2022, shall incur a prepayment fee of 1.00% of the principal amount of the Bonds being prepaid (the "Prepayment Charge"). Otherwise, there shall be no prepayment fee, charge, premium or penalty for any optional prepayment of the Bonds.

Each prepayment of the Bonds shall be made on such Business Day and in such principal amount as shall be specified by the City in the written notice of prepayment delivered by the City

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

In the event of a partial prepayment of the Bonds pursuant to this Section, the amount prepaid shall be applied to satisfy the then remaining principal installments pursuant to the terms of the Bonds. Partial prepayments shall be prorated against each remaining installment of principal due on the Bonds in accordance with the amortization schedule or such other order as may be agreed to in writing by the City and the Holder in such manner to preserve level monthly payments of principal and interest due by the City.

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

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

Section 3.10 Bonds Mutilated, Destroyed, Stolen or Lost. In case a Bond or Bonds shall become mutilated, or be destroyed, stolen or lost, the City shall issue and deliver a new Bond or Bonds of like tenor as the Bond or Bonds so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Bond or Bonds, or in lieu of and in substitution for the Bond or Bonds destroyed, stolen or lost and upon the Holder furnishing the City proof of ownership thereof and indemnity reasonably satisfactory to the City and complying with such other

reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur. The Bond or Bonds so surrendered shall be canceled.

Section 3.11 [RESERVED].

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

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

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

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

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

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

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

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

Section 3.13 Additional Tax Covenants of the City. For so long as the Bonds remain outstanding, the City hereby covenants as follows:

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

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

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

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

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

(f) It will not cause the Bonds to be treated as “federally guaranteed” for purposes of Section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to “federally guaranteed” obligations described in Section 149 of the Code. For purposes of this paragraph, the Bonds shall be treated as “federally guaranteed” if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (ii) 5% or more of the proceeds of the Bonds will be (A) used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (B) invested directly or indirectly in federally insured deposits or accounts, and (iii) such guarantee is not described in Section 149(b)(3) of the Code; and

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

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

Section 3.14 [RESERVED].

Section 3.15 Interest Rates and Gross-Up. The City agrees to pay to the Bank interest on and any and all amounts owed by the City under this Agreement and the Bonds from the date of original issuance and delivery of the Bonds until paid in full at an interest rate per annum (computed on the basis of a year of three hundred sixty (360) days consisting of twelve (12) thirty (30)-day months) equal to 2.34% per annum, in the case of the Series 2020A Bond, and 2.27% per annum, in the case of the Series 2020B Bond. Such interest rate shall be adjusted with respect to the Bonds as follows:

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

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

Notwithstanding the foregoing, in no event shall the interest rate on the Bonds exceed the maximum rate permitted by law.

ARTICLE IV

CONDITIONS OF LENDING

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

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

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

- (i) The opinion of the City Attorney regarding the due authorization, execution, delivery, validity and enforceability of this Agreement and the Bonds, the City's power to incur the debt evidenced by the Bonds and the due adoption of the Bond Resolution;
- (ii) The approving opinion of Bond Counsel in customary form;
- (iii) An executed counterpart of this Agreement and the executed Bonds;
- (iv) A certified copy of the Bond Resolution; and
- (v) Such additional supporting documents as the Bank may reasonably request.

ARTICLE V

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

Section 5.1 The Loan. The Bank hereby agrees to loan to the City the amount of \$9,200,000 to be evidenced by the Series 2020A Bond, to provide funds to finance the Ten-Year Project and to pay closing costs upon the terms and conditions set forth in the Bond Resolution and in this Agreement. The Bank hereby agrees to loan to the City the amount of \$2,500,000 to be evidenced by the Series 2020B Bond, to provide funds to finance the Seven Year Project and to pay closing costs upon the terms and conditions set forth in the Bond Resolution and in this Agreement. The City agrees to repay the principal amounts borrowed plus interest thereon, upon the terms and conditions set forth in the Loan Documents.

Section 5.2 Description of the Bonds; Transferability. To evidence the loan in respect of the Ten-Year Project, the City shall issue and deliver to the Bank the Series 2020A Bond in substantially the form attached hereto as Exhibit "A". To evidence the loan in respect of the Seven Year Project, the City shall issue and deliver to the Bank the Series 2020B Bond in substantially the form attached hereto as Exhibit "B". The Bonds shall be dated the date of their original issuance and delivery, shall be issued as fully registered bonds, shall be numbered AR-1 and BR-1, respectively, and shall each be in a single denomination equal to the total outstanding principal amount of each series of the Bonds.

Each series of the Bonds may only be transferred, assigned, distributed or sold in whole and a new Bond or Bonds of such series may be issued and authenticated under the restrictions as provided herein. The Bonds may only be transferred to an "accredited investor" under Regulation D promulgated under the Securities Act of 1933, as amended, or a "qualified institutional buyer" under Rule 144A promulgated under the Securities Act of 1933, as amended; provided, however, the Bank may transfer the Bonds to an affiliate of the Bank or its parent company without restriction. The Bank, and any subsequent transferee of the Bonds, shall notify the City of any assignment, transfer, distribution or sale of the Bonds, and place on file an executed lender letter of representations substantially similar to that delivered to the City by the Bank upon the original issuance and delivery of the Bonds or otherwise in form and substance satisfactory to the City.

ARTICLE VI

CREATION AND USE OF FUNDS AND ACCOUNTS

Section 6.1 Bond Fund. There is hereby created a fund, entitled “City of Hollywood, Florida, Capital Improvement Revenue Bonds, Series 2020 Bond Fund” (the “Bond Fund”). There shall be deposited into the Bond Fund on each Bond Payment Date sufficient amounts of Pledged Revenues as specified in Sections 3.5 of this Agreement which, together with the amounts already on deposit therein, will enable the City to pay the principal of and interest on the Bonds on each Bond Payment Date. Moneys in the Bond Fund shall be applied on each Bond Payment Date to the payment of principal of and interest on the Bonds coming due on each such date.

Section 6.2 Funds.

There is hereby created a fund, entitled “City of Hollywood, Florida, Capital Improvement Revenue Bonds, Series 2020 Project Fund” (the “Project Fund”), which shall consist of two separate accounts to be denominated, respectively, as the “Series 2020A Bond Project Account” and the “Series 2020B Project Account”. Upon the original issuance and delivery of the Bonds, there shall be deposited into the Series 2020A Project Account the proceeds of the Series 2020A Bond, net of costs of issuance, and there shall be deposited in to the Series 2020B Project Account the proceeds of the Series 2020B Bond, net of costs of issuance. Subject to the requirements of Section 3.12 and 3.13 of this Agreement and the requirements of the Tax Certificate delivered by the City on the date of original issuance and delivery of the Bonds, the City may invest moneys credited to the Project Fund in any investment permitted by law and City policy. Moneys in the Series 2020A Project Account, together with any investment earnings thereon, shall be applied to pay costs of the Ten Year Project, and moneys in the Series 2020B Project Account, together with an investment earnings thereon, shall be applied to pay costs of the Seven Year Project. The City either shall apply any moneys remaining in the Series 2020A Project Account upon completion of the Ten Year Project to the prepayment of the Series 2020A Bond pursuant to the provisions of Section 3.7 of this Agreement or shall transfer such moneys to the Bond Fund for application in the manner described in Section 6.1 of this Agreement. The City either shall apply any moneys remaining in the Series 2020B Project Account upon completion of the Seven Year Project to the prepayment of the Series 2020B Bond pursuant to the provisions of Section 3.7 of this Agreement or shall transfer such moneys to the Bond Fund for application in the manner described in Section 6.1 of this Agreement. Pending disbursement to pay costs of the Project, any amounts and investments credited to the Bond Fund shall be subject to a lien in favor of the Holders, which shall secure the payment of the principal of and the interest and any Prepayment Charge on the Bonds.

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

Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts respectively. The money in such

funds and accounts shall be continuously secured in the same manner as deposits of City funds are authorized to be secured by the laws of the State of Florida.

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

Section 6.3 Rebate Fund and Rebate Covenants. There is hereby created and established a fund to be held by the City, designated the “City of Hollywood Road Improvement Revenue Bonds, Series 2020 Rebate Fund” (the “Rebate Fund”). The Rebate Fund shall be held by the City separate and apart from all other funds and accounts held by the City under this Agreement and from all other moneys of the City.

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

ARTICLE VII

SPECIAL COVENANTS

Section 7.1 Financial Statements. Within two hundred and seventy (270) days of each Fiscal Year end, commencing with the Fiscal Year ended September 30, 2019, the City shall provide the Holder with a copy of its Comprehensive Annual Financial Report and a certificate of its City Manager in form and substance satisfactory to the Holder evidencing compliance with the covenant set forth in Section 7.2 below. The audited financial statements included in the City’s Comprehensive Annual Financial Report shall be prepared in accordance with Chapter 10.550 of the Rules of the Florida Auditor General or the provisions of any successor statute or rule governing Florida local government entity audits.

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

commencement of such Fiscal Year. Each such budget shall include line items relating to debt service on the Bonds.

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

Section 7.2 Coverage Requirement; Additional Debt.

(a) The City covenants and agrees that it will at all times maintain a coverage ratio such that the Pledged Revenues during the prior Fiscal Year are equal to at least 120% of Maximum Annual Debt Service on All Pledged Revenue Debt. To the extent that coverage exceeds 120% of Maximum Annual Debt Service on All Pledged Revenue Debt, the City may use such excess toward any lawful purpose, provided that the City shall not issue additional debt secured by the Pledged Revenues except as provided in Section 7.2(b) and (c) below.

(b) The City shall not issue additional debt secured by the Pledged Revenues unless on the date of issuance of such additional debt the Debt Service Coverage Ratio on all Pledged Revenue Debt, including the additional debt then to be issued, is at least 1.20 to 1. The City shall notify the Bank in writing in advance of any such contemplated additional debt and shall submit to the Bank for review the terms and conditions of such additional debt.

(c) For purposes of this Section:

(1) “Maximum Annual Debt Service on the Bonds” shall mean the maximum amount of principal and interest required in the then current or any future Fiscal Year to pay the Bonds;

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

(3) “Pledged Revenue Debt” shall mean all debt obligations of the City, including the Bonds, which are secured by the Pledged Revenues; and

(4) “Debt Service Coverage Ratio” shall mean the ratio of (i) the amount of Pledged Revenues in the most recently ended Fiscal Year of the City for which audited financial statements of the City are available, to (ii) the Maximum Annual Debt Service on All Pledged Revenue Debt.

For purposes of calculating Maximum Annual Debt Service on All Pledged Revenue Debt, the interest rate to be assumed for indebtedness bearing interest at a variable rate shall be equal to the greater of (i) the average rate of interest paid by the City with respect to such indebtedness during the twelve (12) months preceding the date of calculation, or (ii) 4% per annum.

ARTICLE VIII

EVENTS OF DEFAULT

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

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

(b) The City shall default in the performance of or compliance with any term or covenant contained in the Loan Documents, other than a term or covenant a default in the performance of which or noncompliance with which is dealt with in Section 8.1(a) or (c) through (h) of this Agreement, which default or non-compliance shall continue and not be cured within thirty (30) days after (i) notice thereof to the City by the Bank; or (ii) the Bank is notified of such noncompliance or should have been so notified pursuant to the provisions of Section 3.1(b) of this Agreement, whichever is earlier; or

(c) Any representation or warranty made in writing by the City in any Loan Document or in any certificate, financial or other statement furnished pursuant to this Agreement shall prove to have been untrue or incomplete in any material respect on the date made; or

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

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

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

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

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

Section 8.2 Effect of Event of Default. Except as otherwise provided in the Bonds, upon the occurrence of any Event of Default, the Bank, in its sole discretion, may seek enforcement

of and exercise all remedies available to it under the Bond Resolution, the Act and any other applicable law.

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

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

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

ARTICLE IX

MISCELLANEOUS

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

Section 9.2 Amendments and Waivers. No amendment or waiver of any provision of this Agreement nor consent to any departure by the City from any such provision shall in any event be effective unless the same shall be in writing and signed by the Bank and the City. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the event any agreement contained in this Agreement should be breached by the City and thereafter waived by the Bank, or breached by the Bank and thereafter waived by the City, such waiver shall be limited to the particular breach so waived for the specific period set out in such waiver and such waiver shall not constitute a waiver of such breach for any other period and shall not waive any other or similar breach under this Agreement.

Section 9.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 9.4 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections of this Agreement, and this Agreement shall be construed

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

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

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

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

Section 9.15 WAIVER OF JURY TRIAL. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF THIS AGREEMENT OR THE OTHER FINANCING DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER FINANCING DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.16 Patriot Act. The Bank hereby notifies the City that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act.

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

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

[remainder of page intentionally left blank]

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

CITY OF HOLLYWOOD, FLORIDA

By: _____
JOSH LEVY
MAYOR

ATTEST:

PATRICIA A. CERNY, MMC
CITY CLERK

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

DOUGLAS R. GONZALES
CITY ATTORNEY

SYNOVUS BANK

By: _____
RAFAEL BORRERO
VICE PRESIDENT

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

EXHIBIT A

FORM OF SERIES 2020A BOND

\$9,200,000

CITY OF HOLLYWOOD, FLORIDA

CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2020A

KNOW ALL MEN BY THESE PRESENTS that the City of Hollywood, Florida (the “City”), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of Synovus Bank, or registered assigns (hereinafter, the “Bank” or the “Holder”), the principal sum of \$9,200,000, together with interest on the principal balance outstanding at the rate of 2.34% per annum (as the same may be adjusted pursuant to the requirements of Section 3.15 of the Agreement mentioned hereinafter), based upon a year of 360 days of twelve 30-day months for the actual number of days elapsed.

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

The principal on this Bond shall be due and payable on February 1, May 1, August 1, and November 1 of each year (each, a “Bond Payment Date”), beginning August 1, 2020, through and including May 1, 2030 (the “Maturity Date”) in the amounts set forth on the payment schedule attached hereto.

Interest on this Bond shall be due and payable on each Bond Payment Date, beginning August 1, 2020, to, but not including, the Maturity Date. The entire unpaid principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on the Maturity Date. All payments by the City pursuant to this Bond shall apply first to accrued interest and the balance thereof shall apply to the principal sum due.

This Bond is subject to optional prepayment upon five (5) Business Days’ written notice to the Holder of the Bonds, in whole or in part on any Business Day, at par, plus accrued interest to the date of prepayment, plus, if applicable, the Prepayment Charge, all in the manner more particularly set forth in Section 3.7 of the Agreement.

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

This Bond is issued pursuant to (i) Resolution No. R-2020-___ duly adopted by the City Commission of the City on May 20, 2020 (the “Bond Resolution”) for the purpose of financing capital improvements within the City consisting of ERP systems implementation, construction of lifeguard and first aid towers, the design and engineering of the Johnson Street Complete Street project, street resurfacing at various locations throughout the City, and the Hollywood Boulevard

Complete Street project (the “Project”), and (ii) a Loan Agreement, dated of even date herewith, between the City and the Bank (the “Agreement”), and is subject to all the terms and conditions of the Loan Agreement. All terms, conditions and provisions of the Agreement are by this reference thereto incorporated herein as a part of this Bond. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

In the Agreement, the City has pledged, assigned and granted a security interest to the Holder in the Pledged Revenues to secure the principal of and interest on the Bonds. “Pledged Revenues” means the revenues received by the City from the levy of the business tax authorized under Chapter 205, Florida Statutes, as amended, and imposed by Ordinance No. O-95-44 enacted by the City Commission on July 26, 1995, as amended.

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

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE HOLDER OF THIS BOND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF FLORIDA FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS BOND OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE AGREEMENT.

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

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

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

IN WITNESS WHEREOF, the City of Hollywood, Florida has caused this Bond to be executed in its name by the manual signature of its Mayor, and attested by the manual signature of its Clerk and its corporate seal or a facsimile thereof affixed hereto, all as of this ____ day of May, 2020.

CITY OF HOLLYWOOD, FLORIDA

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
Clerk

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

City Attorney

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bonds and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bonds in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bonds, shall be construed as though they were written out in full according to the applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with the right of survivorship and not as tenants in common
- UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Notice: _____

Date: _____

Assignee: _____

By: _____

Title: _____

PRINCIPAL PAYMENT SCHEDULE
AMORTIZATION SCHEDULE

Payment	Date	Balance	Interest	Principal	Total	Annual
Closing	5/28/2020					
1	8/1/2020	\$ 9,200,000.00	\$ 38,272.00	\$ 222,747.58	\$ 261,019.58	
2	11/1/2020	\$ 8,977,252.42	\$ 52,516.93	\$ 206,110.65	\$ 258,627.58	\$ 519,647.16
3	2/1/2021	\$ 8,771,141.77	\$ 51,311.18	\$ 207,316.40	\$ 258,627.58	
4	5/1/2021	\$ 8,563,825.37	\$ 50,098.38	\$ 208,529.20	\$ 258,627.58	
5	8/1/2021	\$ 8,355,296.16	\$ 48,878.48	\$ 209,749.10	\$ 258,627.58	
6	11/1/2021	\$ 8,145,547.07	\$ 47,651.45	\$ 210,976.13	\$ 258,627.58	\$ 1,034,510.32
7	2/1/2022	\$ 7,934,570.94	\$ 46,417.24	\$ 212,210.34	\$ 258,627.58	
8	5/1/2022	\$ 7,722,360.60	\$ 45,175.81	\$ 213,451.77	\$ 258,627.58	
9	8/1/2022	\$ 7,508,908.83	\$ 43,927.12	\$ 214,700.46	\$ 258,627.58	
10	11/1/2022	\$ 7,294,208.36	\$ 42,671.12	\$ 215,956.46	\$ 258,627.58	\$ 1,034,510.32
11	2/1/2023	\$ 7,078,251.90	\$ 41,407.77	\$ 217,219.81	\$ 258,627.58	
12	5/1/2023	\$ 6,861,032.10	\$ 40,137.04	\$ 218,490.54	\$ 258,627.58	
13	8/1/2023	\$ 6,642,541.55	\$ 38,858.87	\$ 219,768.71	\$ 258,627.58	
14	11/1/2023	\$ 6,422,772.84	\$ 37,573.22	\$ 221,054.36	\$ 258,627.58	\$ 1,034,510.32
15	2/1/2024	\$ 6,201,718.48	\$ 36,280.05	\$ 222,347.53	\$ 258,627.58	
16	5/1/2024	\$ 5,979,370.96	\$ 34,979.32	\$ 223,648.26	\$ 258,627.58	
17	8/1/2024	\$ 5,755,722.70	\$ 33,670.98	\$ 224,956.60	\$ 258,627.58	
18	11/1/2024	\$ 5,530,766.09	\$ 32,354.98	\$ 226,272.60	\$ 258,627.58	\$ 1,034,510.32
19	2/1/2025	\$ 5,304,493.50	\$ 31,031.29	\$ 227,596.29	\$ 258,627.58	
20	5/1/2025	\$ 5,076,897.20	\$ 29,699.85	\$ 228,927.73	\$ 258,627.58	
21	8/1/2025	\$ 4,847,969.47	\$ 28,360.62	\$ 230,266.96	\$ 258,627.58	
22	11/1/2025	\$ 4,617,702.51	\$ 27,013.56	\$ 231,614.02	\$ 258,627.58	\$ 1,034,510.32
23	2/1/2026	\$ 4,386,088.49	\$ 25,658.62	\$ 232,968.96	\$ 258,627.58	
24	5/1/2026	\$ 4,153,119.53	\$ 24,295.75	\$ 234,331.83	\$ 258,627.58	
25	8/1/2026	\$ 3,918,787.70	\$ 22,924.91	\$ 235,702.67	\$ 258,627.58	
26	11/1/2026	\$ 3,683,085.03	\$ 21,546.05	\$ 237,081.53	\$ 258,627.58	\$ 1,034,510.32
27	2/1/2027	\$ 3,446,003.49	\$ 20,159.12	\$ 238,468.46	\$ 258,627.58	
28	5/1/2027	\$ 3,207,535.04	\$ 18,764.08	\$ 239,863.50	\$ 258,627.58	
29	8/1/2027	\$ 2,967,671.54	\$ 17,360.88	\$ 241,266.70	\$ 258,627.58	
30	11/1/2027	\$ 2,726,404.83	\$ 15,949.47	\$ 242,678.11	\$ 258,627.58	\$ 1,034,510.32
31	2/1/2028	\$ 2,483,726.72	\$ 14,529.80	\$ 244,097.78	\$ 258,627.58	
32	5/1/2028	\$ 2,239,628.94	\$ 13,101.83	\$ 245,525.75	\$ 258,627.58	
33	8/1/2028	\$ 1,994,103.19	\$ 11,665.50	\$ 246,962.08	\$ 258,627.58	
34	11/1/2028	\$ 1,747,141.12	\$ 10,220.78	\$ 248,406.80	\$ 258,627.58	\$ 1,034,510.32
35	2/1/2029	\$ 1,498,734.31	\$ 8,767.60	\$ 249,859.98	\$ 258,627.58	
36	5/1/2029	\$ 1,248,874.33	\$ 7,305.91	\$ 251,321.67	\$ 258,627.58	
37	8/1/2029	\$ 997,552.66	\$ 5,835.68	\$ 252,791.90	\$ 258,627.58	
38	11/1/2029	\$ 744,760.77	\$ 4,356.85	\$ 254,270.73	\$ 258,627.58	\$ 1,034,510.32
39	2/1/2030	\$ 490,490.04	\$ 2,869.37	\$ 255,758.21	\$ 258,627.58	
40	5/1/2030	\$ 234,731.82	\$ 1,373.18	\$ 234,731.82	\$ 236,105.00	\$ 494,732.58
		Total	\$ 1,124,972.62	\$ 9,200,000.00	\$ 10,324,972.62	

*Based on closing date of 5/28/2020 and actual amounts may vary if payments are made on different dates or in different amounts.

EXHIBIT B

FORM OF SERIES 2020B BOND

\$2,500,000

CITY OF HOLLYWOOD, FLORIDA

CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2020B

KNOW ALL MEN BY THESE PRESENTS that the City of Hollywood, Florida (the “City”), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of Synovus Bank, or registered assigns (hereinafter, the “Bank” or the “Holder”), the principal sum of \$2,500,000, together with interest on the principal balance outstanding at the rate of 2.27% per annum (as the same may be adjusted pursuant to the requirements of Section 3.15 of the Agreement mentioned hereinafter), based upon a year of 360 days of twelve 30-day months for the actual number of days elapsed.

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

The principal on this Bond shall be due and payable on February 1, May 1, August 1, and November 1 of each year (each, a “Bond Payment Date”), beginning August 1, 2020, through and including May 1, 2027 (the “Maturity Date”) in the amounts set forth on the payment schedule attached hereto.

Interest on this Bond shall be due and payable on each Bond Payment Date, beginning August 1, 2020, to, but not including, the Maturity Date. The entire unpaid principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on the Maturity Date. All payments by the City pursuant to this Bond shall apply first to accrued interest and the balance thereof shall apply to the principal sum due.

This Bond is subject to optional prepayment upon five (5) Business Days’ written notice to the Holder of the Bonds, in whole or in part on any Business Day, at par, plus accrued interest to the date of prepayment, plus, if applicable, the Prepayment Charge, all in the manner more particularly set forth in Section 3.7 of the Agreement.

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

This Bond is issued pursuant to (i) Resolution No. R-2020-___ duly adopted by the City Commission of the City on May 20, 2020 (the “Bond Resolution”) for the purpose of financing capital improvements within the City consisting of the purchase of a local government radio system (non-public safety) including infrastructure equipment and subscriber/radio units, the installation of new alarm hardware and software at fire stations, recreation management software,

and a closed circuit TV security camera system (the “Project”), and (ii) a Loan Agreement, dated of even date herewith, between the City and the Bank (the “Agreement”), and is subject to all the terms and conditions of the Loan Agreement. All terms, conditions and provisions of the Agreement are by this reference thereto incorporated herein as a part of this Bond. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

In the Agreement, the City has pledged, assigned and granted a security interest to the Holder in the Pledged Revenues to secure the principal of and interest on the Bonds. “Pledged Revenues” means the revenues received by the City from the levy of the business tax authorized under Chapter 205, Florida Statutes, as amended, and imposed by Ordinance No. O-95-44 enacted by the City Commission on July 26, 1995, as amended.

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

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE HOLDER OF THIS BOND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF FLORIDA FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS BOND OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE AGREEMENT.

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

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

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

IN WITNESS WHEREOF, the City of Hollywood, Florida has caused this Bond to be executed in its name by the manual signature of its Mayor, and attested by the manual signature of its Clerk and its corporate seal or a facsimile thereof affixed hereto, all as of this ____ day of May, 2020.

CITY OF HOLLYWOOD, FLORIDA

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
Clerk

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

City Attorney

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bonds and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bonds in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bonds, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Notice: _____

Date: _____

Assignee: _____

By: _____

Title: _____

PRINCIPAL PAYMENT SCHEDULE

AMORTIZATION SCHEDULE

Payment	Date	Balance	Interest	Principal	Total	Annual
Closing	5/28/2020					
1	8/1/2020	\$ 2,500,000.00	10,088.89	86,730.94	\$ 96,819.83	
2	11/1/2020	\$ 2,413,269.06	13,695.30	83,124.53	\$ 96,819.83	\$ 193,639.66
3	2/1/2021	\$ 2,330,144.53	13,223.57	83,596.26	\$ 96,819.83	
4	5/1/2021	\$ 2,246,548.27	12,749.16	84,070.67	\$ 96,819.83	
5	8/1/2021	\$ 2,162,477.60	12,272.06	84,547.77	\$ 96,819.83	
6	11/1/2021	\$ 2,077,929.83	11,792.25	85,027.58	\$ 96,819.83	\$ 387,279.32
7	2/1/2022	\$ 1,992,902.25	11,309.72	85,510.11	\$ 96,819.83	
8	5/1/2022	\$ 1,907,392.14	10,824.45	85,995.38	\$ 96,819.83	
9	8/1/2022	\$ 1,821,396.77	10,336.43	86,483.40	\$ 96,819.83	
10	11/1/2022	\$ 1,734,913.36	9,845.63	86,974.20	\$ 96,819.83	\$ 387,279.32
11	2/1/2023	\$ 1,647,939.17	9,352.05	87,467.78	\$ 96,819.83	
12	5/1/2023	\$ 1,560,471.39	8,855.68	87,964.15	\$ 96,819.83	
13	8/1/2023	\$ 1,472,507.24	8,356.48	88,463.35	\$ 96,819.83	
14	11/1/2023	\$ 1,384,043.88	7,854.45	88,965.38	\$ 96,819.83	\$ 387,279.32
15	2/1/2024	\$ 1,295,078.50	7,349.57	89,470.26	\$ 96,819.83	
16	5/1/2024	\$ 1,205,608.24	6,841.83	89,978.00	\$ 96,819.83	
17	8/1/2024	\$ 1,115,630.24	6,331.20	90,488.63	\$ 96,819.83	
18	11/1/2024	\$ 1,025,141.61	5,817.68	91,002.15	\$ 96,819.83	\$ 387,279.32
19	2/1/2025	\$ 934,139.46	5,301.24	91,518.59	\$ 96,819.83	
20	5/1/2025	\$ 842,620.87	4,781.87	92,037.96	\$ 96,819.83	
21	8/1/2025	\$ 750,582.92	4,259.56	92,560.27	\$ 96,819.83	
22	11/1/2025	\$ 658,022.64	3,734.28	93,085.55	\$ 96,819.83	\$ 387,279.32
23	2/1/2026	\$ 564,937.09	3,206.02	93,613.81	\$ 96,819.83	
24	5/1/2026	\$ 471,323.28	2,674.76	94,145.07	\$ 96,819.83	
25	8/1/2026	\$ 377,178.21	2,140.49	94,679.34	\$ 96,819.83	
26	11/1/2026	\$ 282,498.87	1,603.18	95,216.65	\$ 96,819.83	\$ 387,279.32
27	2/1/2027	\$ 187,282.22	1,062.83	95,757.00	\$ 96,819.83	
28	5/1/2027	\$ 91,525.21	519.41	91,525.21	\$ 92,044.62	\$ 188,864.45
		Total	206,180.03	2,500,000.00	\$ 2,706,180.03	

*Based on closing date of 5/28/2020 and actual amounts may vary if payments are made on different dates or in different amounts.