

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

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE ISSUANCE OF THE CITY'S WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2020, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000; PROVIDING FOR THE DETERMINATION OF CERTAIN DETAILS OF SUCH BONDS WITHIN PARAMETERS SET FORTH HEREIN; APPOINTING A PAYING AGENT AND BOND REGISTRAR WITH RESPECT THERETO; AUTHORIZING THE NEGOTIATED SALE OF SUCH BONDS TO THE UNDERWRITERS MENTIONED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT TO SUCH BONDS; DETERMINING THAT THE ISSUANCE OF SUCH BONDS AND THE REFUNDING OF CERTAIN PRIOR BONDS ARE IN THE BEST INTERESTS OF THE CITY AND THE USERS OF THE UTILITY; APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; APPOINTING AN ESCROW AGENT AND AUTHORIZING THE EXECUTION OF AN ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A DISCLOSURE DISSEMINATION AGENT AGREEMENT AND APPOINTING A DISCLOSURE DISSEMINATION AGENT; AUTHORIZING THE PROCUREMENT OF CREDIT ENHANCEMENT TO FURTHER SECURE SUCH BONDS; PROVIDING FOR THE APPLICATION OF BOND PROCEEDS; APPROVING THE REDEMPTION OF SUCH CERTAIN PRIOR BONDS OF THE CITY FROM PROCEEDS OF SUCH BONDS; APPROVING THE APPLICATION OF CERTAIN MONEYS HELD IN RESPECT OF SUCH CERTAIN PRIOR BONDS TO EFFECT SUCH REDEMPTION; AUTHORIZING PROPER OFFICIALS AND EMPLOYEES TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS; PROVIDING FOR SEVERABILITY.

WHEREAS, the City Commission ("Commission") of the City of Hollywood, Florida ("City") enacted Ordinance No. 0-91-44 on July 24, 1991, as amended and supplemented, authorizing and securing the City's Water and Sewer Bonds ("Ordinance"); and

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

WHEREAS, pursuant to Resolution R-2010-013, adopted by the City Commission on January 6, 2010, the City has previously issued its Water and Sewer Improvement Revenue Bonds, Series 2010B (Build America Bonds – Direct Payment), in an original aggregate principal amount of \$48,160,000, \$42,140,000 of which remains outstanding (the "Refunded Bonds"); and

WHEREAS, the City desires to authorize the issuance of not to exceed \$40,000,000 in aggregate principal amount of its Water and Sewer Refunding Revenue Bonds, Series 2020 ("Series 2020 Bonds"), pursuant to the provisions of the Ordinance, for the purpose of providing funds, together with other legally available monies, to (i) currently refund the Refunded Bonds, and (ii) pay certain costs of issuance with respect to the Series 2020 Bonds; and

WHEREAS, upon issuance, the Series 2020 Bonds shall be secured under the Ordinance on a parity basis by a lien upon the Net Revenues (as defined in the Ordinance) with all other Bonds (as defined in the Ordinance) currently outstanding under the Ordinance and with any Additional Bonds (as defined in the Ordinance) and Additional Parity Indebtedness (as defined in the Ordinance) that may be issued subsequently under or pursuant to the Ordinance; and

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

WHEREAS, there have been prepared with respect to the issuance and sale of the Series 2020 Bonds and submitted to the City forms of:

- (i) a Bond Purchase Agreement with respect to the Series 2020 Bonds between RBC Capital Markets, LLC (the "Representative"), on behalf of itself and as representative of the underwriters named therein (collectively, the "Underwriters"), and the City, attached hereto as Exhibit A (the "Bond Purchase Agreement");
- (ii) a Preliminary Official Statement relating to the Series 2020 Bonds, a substantially final form of which is attached hereto as Exhibit B ("Preliminary Official Statement");

- (iii) a Disclosure Dissemination Agent Agreement to be entered into between the City and Digital Assurance Certification, L.L.C., the Disclosure Dissemination Agent in connection with the Series 2020 Bonds, a substantially final form of which is attached hereto as Exhibit C ("Disclosure Dissemination Agent Agreement"); and
- (iv) an Escrow Deposit Agreement relating to the Refunded Bonds between Regions Bank, as escrow agent, and the City, attached hereto as Exhibit D ("Escrow Agreement").

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

Section 1: INCORPORATION OF RECITALS. The foregoing "WHEREAS" clauses above are ratified and confirmed as being true and correct and are incorporated in this Resolution.

Section 2: AUTHORIZATION OF SERIES 2020 BONDS. The City authorizes the issuance and delivery of one or more series of revenue bonds of the City to be designated "City of Hollywood, Florida Water and Sewer Refunding Revenue Bonds, Series 2020" to be issued under and pursuant to Section 210 of the Ordinance for the purpose of providing funds, together with other available funds, to (i) currently refund the Refunded Bonds, and (ii) pay certain costs of issuance with respect to the Series 2020 Bonds. The Director of Financial Services or the Interim Director of Financial Services (as the case may be, the "Director of Financial Services"), after consultation with the Financial Advisor, is authorized and directed to take such action as necessary or desirable to obtain one or more securities ratings for the Series 2020 Bonds from one or more nationally recognized statistical rating organizations.

Section 3: DETAILS OF SERIES 2020 BONDS; APPOINTMENT OF BOND REGISTRAR, PAYING AGENT AND ESCROW AGENT. The City determines that the Series 2020 Bonds shall be dated, have such interest payment dates, maturities, and redemption provisions, and bear interest at such rates, all as shall be set forth in the Bond Purchase Agreement and the Official Statement (as defined below).

Notwithstanding the foregoing, the issuance of the Series 2020 Bonds is subject to the following additional requirements:

- (i) the aggregate principal amount of the Series 2020 Bonds shall not exceed \$40,000,000;
- (ii) the final maturity of the Series 2020 Bonds shall not be later than October 1, 2039;

(iii) the Series 2020 Bonds shall be subject to optional redemption in whole or in part on any date on or after, at the latest, October 1, 2030, at a price of par plus accrued interest to the redemption date; and

(iv) the aggregate net present value savings resulting from the refunding of the Refunded Bonds as a result of the issuance of the Series 2020 Bonds must be equal to or greater than 5.00% of the principal amount of the Refunded Bonds.

The Bank of New York Mellon (or an affiliate thereof) is designated as Bond Registrar and Paying Agent for the Series 2020 Bonds and Regions Bank is designated as Escrow Agent under the Escrow Agreement, in the event that the City utilizes the Escrow Agreement.

Section 4: Negotiated Sale Required. The City finds and declares that a negotiated sale of the Series 2020 Bonds to the Underwriters is in the best interests of the City and is found to be necessary on the basis of the following reasons, as to which specific findings are hereby made:

(i) due to the volatility of the market for securities such as the Series 2020 Bonds, the City must be able to enter the market at the most advantageous time, rather than at a specific advertised date, thereby permitting the City to obtain the best possible price and interest rates for the Series 2020 Bonds;

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

(iii) the Underwriters have participated in structuring the issuance of the Series 2020 Bonds and can assist the City in obtaining the most attractive financing for the City; and

(iv) the City will not be adversely affected if the Series 2020 Bonds are not sold pursuant to a competitive sale.

Section 5: BEST INTERESTS OF CITY AND WATER AND SEWER UTILITY USERS. The City finds and determines that the issuance of the Series 2020 Bonds and the refunding of the Refunded Bonds are in its best interest and the best interest of the users of the Water and Sewer Utility because such actions will create significant future debt service savings.

Section 6: BOND PURCHASE AGREEMENT APPROVED. The City approves the form of the Bond Purchase Agreement attached as Exhibit A. Upon execution by the City Attorney to signify his approval of the legality thereof, the Mayor or Vice Mayor and the Director of Financial Services are authorized and directed to execute the Bond Purchase Agreement, as attested by the City Clerk under the seal of the City, and to deliver the Bond Purchase Agreement to the Underwriters. The Bond

Purchase Agreement shall be in substantially the form of the Bond Purchase Agreement attached hereto as Exhibit A with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor or Vice Mayor, the Director of Financial Services and the City Attorney. Execution by the Mayor or Vice Mayor, the Director of Financial Services and the City Attorney of the Bond Purchase Agreement shall be deemed to be conclusive evidence of the approval thereof. The execution and delivery of the Bond Purchase Agreement to the Underwriters shall be subject to the requirements of this Resolution, including particularly Section 3 of this Resolution.

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

Section 8: OFFICIAL STATEMENT APPROVED. The preparation and distribution of a final Official Statement of the City relating to the Series 2020 Bonds, substantially in the form of the Preliminary Official Statement attached as Exhibit B (the "Official Statement"), is approved with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor or Vice Mayor and the Director of Financial Services, and the Mayor or Vice Mayor and the Director of Financial Services are authorized and directed to execute and deliver the Official Statement. The execution and delivery of the Official Statement by the Mayor or Vice Mayor and the Director of Financial Services shall constitute conclusive evidence of the approval thereof.

Section 9: CONTINUING DISCLOSURE. The City covenants and agrees that, in order to provide for compliance by the City with the secondary market disclosure requirements of Rule 15c2-12 of the Securities Exchange Act of 1934, it will comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement. The City does authorize and approve the execution and delivery of the Disclosure Dissemination Agent Agreement by the Mayor or Vice Mayor and the Director of Financial Services, as attested by the City Clerk under the seal of the City. The Disclosure Dissemination Agent Agreement shall be in substantially the form attached hereto as Exhibit C, with such changes, amendments, modifications, omissions and additions as shall be approved by the Mayor or Vice Mayor and the Director of Financial Services. Digital Assurance Certification, L.L.C. is appointed as the Disclosure Dissemination Agent under the Disclosure Dissemination Agent Agreement. The execution of the Disclosure Dissemination Agent Agreement by the Mayor or Vice Mayor and the Director of Financial Services shall constitute conclusive evidence of the approval thereof. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Disclosure Dissemination Agent Agreement shall not be considered an event of default hereunder or under the Ordinance; provided, however, any Series 2020 Bondholder may take such actions as may be necessary and

appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section 8 and the Disclosure Dissemination Agent Agreement.

Section 10: APPROVAL OF ESCROW AGREEMENT. The City approves the form of the Escrow Agreement attached as Exhibit D. In the event that the Director of Financial Services shall determine that it is in the best interests of the City that the City accomplish a net defeasance of the Refunded Bonds, the City shall enter into the Escrow Agreement. In the event that the Director of Financial Services shall determine that it is in the best interests of the City that the City accomplish a gross defeasance of the Refunded Bonds, the City shall not enter into the Escrow Agreement. Upon execution by the City Attorney to signify his approval of the legal sufficiency thereof, the Mayor or Vice Mayor and the Director of Financial Services are authorized and directed to execute the Escrow Agreement, as attested by the City Clerk under the seal of the City, and to deliver the Escrow Agreement to the Escrow Agent. The Escrow Agreement shall be in substantially the form of the Escrow Agreement attached as Exhibit D with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor or Vice Mayor, the Director of Financial Services and the City Attorney. Execution by the Mayor or Vice Mayor, the Director of Financial Services and the City Attorney of the Escrow Agreement shall be deemed to be conclusive evidence of the approval thereof.

Section 11: CREDIT ENHANCEMENT. If a policy of municipal bond insurance or other credit enhancement shall be available to further secure the Series 2020 Bonds and if procurement of such a policy or enhancement shall be deemed necessary and appropriate by the Mayor or Vice Mayor and the Director of Financial Services in order for the City to achieve the lowest interest cost on the Series 2020 Bonds, the Mayor or Vice Mayor and the Director of Financial Services shall be authorized to take such steps as shall be necessary or appropriate to procure such a policy or enhancement, including without limitation, execution and delivery of the acceptance of commitments with respect thereto or any agreements with respect thereto not inconsistent with the terms of the Ordinance or this Resolution.

Section 12: APPLICATION OF BOND PROCEEDS. The proceeds of the Series 2020 Bonds shall be applied as described in Section 210 of the Ordinance. The specific amounts of the funds to be so applied shall be set forth in a certificate to be delivered by the Director of Financial Services simultaneously with the delivery of the Series 2020 Bonds.

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

Section 14: BOND FORM. The form of the Series 2020 Bonds shall be as set forth in the Ordinance with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor or Vice Mayor and as are consistent with this Resolution and the Ordinance. Execution of the Series 2020 Bonds by the Mayor or Vice Mayor shall be deemed to be conclusive evidence of the approval thereof.

Section 15: RESERVE ACCOUNT REQUIREMENT. The Reserve Account Requirement for the Series 2020 Bonds shall be \$0.00, and, consequently, no Reserve Subaccount within the Reserve Account (as defined in the Ordinance) shall be established for the Series 2020 Bonds.

Section 16: FUNDS HELD IN RESPECT OF REFUNDED BONDS. Funds presently held in respect of the Refunded Bonds shall be applied consistent with the requirements of the Ordinance and in such manner as shall be set forth in a Certificate of the City Manager or the Director of Financial Services to be delivered concurrently with the original issuance and delivery of the Series 2020 Bonds.

Section 17: FURTHER OFFICIAL ACTION. The Mayor, the Vice Mayor, the Director of Financial Services, the City Manager, the City Attorney, the City Clerk and any other proper official of the City are authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, including without limitation the appointment of a verification agent to verify the mathematical accuracy of the computations contained in the schedules prepared by the Representative with respect to the defeasance of the Refunded Bonds. In the event that the Mayor, the Vice Mayor, the Director of Financial Services, the City Manager, the City Clerk or the City Attorney is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the City. The City Manager or the City Clerk is each authorized and directed to apply and attest the official seal of the City to any agreement or instrument authorized or approved herein or in the Ordinance that requires such a seal and attestation. All prior actions taken by such officials, officers and employees of the City in connection with the issuance of the Series 2020 Bonds are ratified and confirmed.

Section 18: MEANING OF TERMS. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Ordinance.

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

Section 20: SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions contained in this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason be held invalid,

then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions of this Resolution or of the Series 2020 Bonds.

Section 21: EFFECTIVE DATE. This Resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
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



EXHIBIT A

BOND PURCHASE AGREEMENT

Please see attached Bond Purchase Agreement

EXHIBIT B

PRELIMINARY OFFICIAL STATEMENT

Please see attached Preliminary Official Statement

EXHIBIT C

DISCLOSURE DISSEMINATION AGENT AGREEMENT

Please see attached Disclosure Dissemination Agreement

EXHIBIT D

ESCROW AGREEMENT

Please see attached Escrow Agreement