

**CITY OF MIRAMAR
PROPOSED CITY COMMISSION AGENDA ITEM**

Meeting Date: June 16, 2021

Presenter's Name and Title: Kevin E. Adderley, Director of Financial Services

Prepared By: Ian Evans-Smith, Treasurer

Temp. Reso. Number: 7378

Item Description: Temp. Reso. #R7378 A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA AUTHORIZING THE ISSUANCE OF CITY OF MIRAMAR, FLORIDA TAXABLE SPECIAL OBLIGATION REFUNDING REVENUE BONDS, SERIES 2021, NOT EXCEEDING \$55,000,000 IN AGGREGATE PRINCIPAL AMOUNT TO REFUND A PORTION OF THE CITY'S OUTSTANDING SPECIAL OBLIGATION REFUNDING AND IMPROVEMENT REVENUE BONDS SERIES 2013 IN ORDER TO ACHIEVE DEBT SERVICE SAVINGS; COVENANTING TO BUDGET AND APPROPRIATE CERTAIN LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE CITY TO PAY DEBT SERVICE ON THE BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE BONDS; AUTHORIZING A NEGOTIATED SALE OF SAID BONDS; DELEGATING CERTAIN AUTHORITY TO THE CITY MANAGER FOR THE AUTHORIZATION, EXECUTION AND DELIVERY OF A PURCHASE CONTRACT WITH RESPECT THERETO AND THE APPROVAL OF THE TERMS AND DETAILS OF SAID BONDS; APPOINTING THE PAYING AGENT AND REGISTRAR FOR SAID BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A DISCLOSURE DISSEMINATION AGENT AGREEMENT WITH DIGITAL ASSURANCE CERTIFICATION, L.L.C.; DELEGATING CERTAIN AUTHORITY TO THE CITY MANAGER TO DETERMINE WHETHER TO UTILIZE MUNICIPAL BOND INSURANCE FOR THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT AND APPOINTING THE ESCROW AGENT THERETO; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.
(Kevin E. Adderly, Director of Financial Services)

Consent ☐ Resolution ☒ Ordinance ☐ Quasi-Judicial ☐ Public Hearing ☐

Instructions for the Office of the City Clerk:

Public Notice – As required by the Sec. ____ of the City Code and/or Sec. ____, Florida Statutes, public notice for this item was provided as follows: on _____ in a _____ ad in the _____; by the posting the property on _____ and/or by sending mailed notice to property owners within _____ feet of the property on _____ (fill in all that apply)

Special Voting Requirement – As required by Sec. _____, of the City Code and/or Sec. ____, Florida Statutes, approval of this item requires a _____ (unanimous, 4/5ths etc.) vote by the City Commission.

Fiscal Impact: Yes ☐ No ☒

REMARKS: Proceeds from the sale of the Taxable Special Obligation Refunding Revenue Bonds, Series 2021 will be used to refund a portion of the City's outstanding Special Obligation Refunding and Improvement Revenue Bonds, Series 2013, to obtain significant debt service savings as well as to pay related underwriter fees and issuance costs.



Content:

- **Agenda Item Memo from the City Manager to City Commission**
- **Resolution TR 7378**
 - **Exhibit A: Form of Bond Purchase Agreement**
 - **Exhibit B: Form of Continuing Disclosure Dissemination Agreement**
 - **Exhibit C: Form of Preliminary Official Statement**
 - **Exhibit D: Form of Escrow Deposit Agreement**
 - **Exhibit E: Bond Insurance Provisions**



**CITY OF MIRAMAR
INTEROFFICE MEMORANDUM**

TO: Mayor, Vice Mayor, & City Commissioners

FROM:  Vernon E. Hargray, City Manager 

BY: Kevin E. Adderley, Director of Financial Services

DATE: June 10, 2021

RE: Temp. Reso. No. 7378, authorizing the issuance of Taxable Special Obligation Refunding Revenue Bonds, Series 2021, in an aggregate principal amount not-to-exceed \$55 million

RECOMMENDATION: The City Manager recommends approval of Temp. Reso. No. 7378, authorizing the issuance of the Taxable Special Obligation Refunding Revenue Bonds, Series 2021 (the "Series 2021 Bonds"), in an aggregate principal amount not-to-exceed \$55 million. This will refund a portion of the City's outstanding Special Obligation Refunding and Improvement Revenue Bonds, Series 2013, to achieve significant debt service savings. This recommendation also delegates certain authority to the City Manager for the authorization, execution and delivery of the necessary documents to effectuate the refunding. The Series 2021 Bonds will be secured by a covenant of the City to budget and appropriate sufficient legally available non-ad valorem revenues each year to pay the scheduled debt service.

ISSUE: City Commission approval is required in order to issue the Series 2021 Bonds in an aggregate principal amount not-to-exceed \$55 million to refund a portion of the outstanding Special Obligation Refunding and Improvement Revenue Bonds, Series 2013 (the "Series 2013 Bonds"), to achieve significant debt service savings.

BACKGROUND: In order to further its strategic plans, goals and objectives, the City has issued debt in various forms to provide funding for various capital improvement projects. Due to the historically low interest rate market, the City can achieve substantial debt service savings by refunding designated existing bond issues. The City issued the Series 2013 Bonds to finance various capital improvement projects throughout the City and refund the outstanding Capital Improvement Revenue Note, Series 2008. It is estimated

the issuance of the Series 2021 Bonds will generate approximately \$7 million of net present value debt service savings.

Taxable Special Obligation Refunding Revenue Bonds, Series 2021:

To refund the Series 2013 Bonds, the City will issue the Series 2021 Bonds in an aggregate principal amount not-to-exceed \$55 million. Temp Reso. No. 7378 authorizes the issuance of the Series 2021 Bonds and delegates certain authority to the City Manager for the authorization, execution and delivery of the necessary documents to effectuate the issuance of the Series 2021 Bonds and the refunding of a portion of the Series 2013 Bonds. The Series 2021 Bonds will be secured by a covenant of the City to budget and appropriate sufficient legally available non-ad valorem revenues each year to pay the scheduled debt service. The taxing power of the City is not being pledged to secure the Series 2021 Bonds.

The Series 2021 Bonds will mature no later than October 1, 2038 and are being issued to provide funds to refund a portion of the City's outstanding Series 2013 Bonds and to pay certain costs and expenses relating to the issuance of the Series 2021 Bonds.

Method of Sale:

Due to the potential volatility of the market for obligations such as the Series 2021 Bonds, and the complexity of the related transactions, it is in the best interest of the City to sell the Series 2021 Bonds by a negotiated sale. A negotiated sale allows the City to enter the market at the most advantageous time rather than at a specified advertised date required in a competitive sale, thereby permitting the City to obtain the best possible price and interest rate for the Bonds and the most debt service savings.

On May 19, 2021, the City Commission approved Resolution No. 7418, awarding "Investment Banking Services for the Issuance of Revenue Bonds for New Money and/or Refunding" to Siebert Williams Shank & Co., LLC and Loop Capital Markets to act as co-senior underwriters. As part of this approval it was determined that Siebert Williams Shank & Co., LLC and Loop Capital Markets would serve as co-senior managers on the issuance of the Series 2021 Bonds.

The City anticipates receiving a favorable offer to purchase the Series 2021 Bonds from the Underwriters, all within the parameters set forth in the Bond Resolution (particularly

section 9.01 thereof) and that the Series 2021 Bonds are likely to be issued during the week of July 19, 2021.

DISCUSSION: The City has an opportunity to issue Taxable Special Obligation Refunding Bonds, Series 2021 (the "2021 Bonds") to advance refund a portion of the outstanding Series 2013 Bonds that were issued on September 25, 2013. The City issued the Series 2013 Bonds to refund the outstanding Capital Improvement Revenue Note, Series 2008 and to finance the acquisition, construction and equipping of certain capital improvements in the City. The final Maturity Date for the Series 2013 Bonds is October 1, 2038 with interest rates up to 5%. Based on current market conditions and an assumed Aa3 credit rating, our Financial Advisors, PFM Advisors, LLC, estimates interest rates for the Series 2021 Bonds will be below 3% which will produce significant debt service payments. On May 19, 2021, Investment Banking Services were awarded to co-underwriter Siebert Williams Shank & Co., LLC and Loop Capital Markets to refinance the Series 2013 Bonds.

ANALYSIS: Given the current historically low level of interest rates, the Series 2013 Bonds are a good candidate to be refunded for debt service savings. The projected annual savings amount is approximately \$500,000. **See table below:**

	<u>Prior Debt</u>	<u>Refunding</u>		<u>Present Value</u>
<u>Date</u>	<u>Service</u>	<u>Debt Service</u>	<u>Savings</u>	<u>Savings</u>
10/1/2021	1,123,856	998,698	125,159	124,385
10/1/2022	2,247,713	1,745,831	501,882	493,444
10/1/2023	4,362,713	3,862,402	500,311	479,900
10/1/2024	4,358,113	3,855,597	502,516	469,798
10/1/2025	4,360,313	3,857,371	502,942	458,320
10/1/2026	4,361,056	3,858,054	503,003	446,827
10/1/2027	4,359,906	3,856,526	503,380	435,895
10/1/2028	4,361,406	3,860,816	500,591	422,593
10/1/2029	4,363,094	3,863,292	499,802	411,323
10/1/2030	4,362,988	3,859,520	503,468	403,866
10/1/2031	4,362,100	3,859,904	502,197	392,698
10/1/2032	4,361,500	3,859,953	501,548	382,285
10/1/2033	4,361,500	3,860,328	501,173	372,304
10/1/2034	4,358,750	3,854,785	503,966	364,855
10/1/2035	4,358,000	3,853,801	504,200	355,740
10/1/2036	4,358,750	3,856,934	501,817	345,047
10/1/2037	4,360,500	3,860,479	500,021	335,039
10/1/2038	4,362,750	3,858,099	504,651	329,490
	73,145,006	64,482,384	8,662,623	7,023,810

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**CITY OF MIRAMAR
MIRAMAR, FLORIDA**

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA, AUTHORIZING THE ISSUANCE OF CITY OF MIRAMAR, FLORIDA TAXABLE SPECIAL OBLIGATION REFUNDING REVENUE BONDS, SERIES 2021, NOT EXCEEDING \$55,000,000 IN AGGREGATE PRINCIPAL AMOUNT, TO REFUND A PORTION OF THE CITY'S OUTSTANDING SPECIAL OBLIGATION REFUNDING AND IMPROVEMENT REVENUE BONDS SERIES 2013 IN ORDER TO ACHIEVE DEBT SERVICE SAVINGS; COVENANTING TO BUDGET AND APPROPRIATE CERTAIN LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE CITY TO PAY DEBT SERVICE ON THE BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE BONDS; AUTHORIZING A NEGOTIATED SALE OF SAID BONDS; DELEGATING CERTAIN AUTHORITY TO THE CITY MANAGER FOR THE AUTHORIZATION, EXECUTION AND DELIVERY OF A PURCHASE CONTRACT WITH RESPECT THERETO AND THE APPROVAL OF THE TERMS AND DETAILS OF SAID BONDS; APPOINTING THE PAYING AGENT AND REGISTRAR FOR SAID BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A DISCLOSURE DISSEMINATION AGENT AGREEMENT WITH DIGITAL ASSURANCE CERTIFICATION, L.L.C.; DELEGATING CERTAIN AUTHORITY TO THE CITY MANAGER TO DETERMINE WHETHER TO UTILIZE MUNICIPAL BOND INSURANCE FOR THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT AND APPOINTING THE ESCROW AGENT THERETO; AND PROVIDING FOR AN EFFECTIVE DATE.

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WHEREAS, the City issued its Special Obligation Refunding and Improvement Revenue Bonds, Series 2013 (the “2013 Bonds”) on September 25, 2013 to current refund all of the City’s outstanding Capital Improvement Revenue Note, Series 2008 and finance the acquisition, construction and equipping of certain capital improvements in the City; and

WHEREAS, given the current historically low level of interest rates, the 2013 Bonds are a good candidate to be refunded for debt service savings; and

WHEREAS, the City has an opportunity to issue Taxable Special Obligation Refunding Revenue Bonds, Series 2021 (the “2021 Bonds”) to advance refund a portion of the outstanding 2013 Bonds; and

WHEREAS, to refund the Series 2013 Bonds, the City will issue the Series 2021 Bonds in an aggregate principal amount not-to-exceed \$55,000,000; and

WHEREAS, the Series 2021 Bonds will be secured by a covenant of the City to budget and appropriate sufficient legally available non-ad valorem revenues each year to pay the scheduled debt service; and

WHEREAS, the Series 2021 Bonds will mature no later than October 1, 2038 and are being issued to provide funds to refund a portion of the City’s outstanding Series 2013 Bonds and to pay certain costs and expenses relating to the issuance of the Series 2021 Bonds; and

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WHEREAS, in order to achieve debt service savings for the Issuer it is in the best interests of the Issuer to refund the callable portion of the outstanding Series 2013 Bonds; and

WHEREAS, the Issuer anticipates receiving a favorable offer to purchase the Series 2021 Bonds from the Underwriters, all within the parameters set forth herein, and as to be provided in a Bond Purchase Agreement to be executed between the Issuer and the Underwriters in substantially the form attached hereto as Exhibit "A" (the "Bond Purchase Agreement"); and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA AS FOLLOWS:

Section 1: That the foregoing "**WHEREAS**" clauses are ratified and confirmed as being true and correct and are made a specific part of this Resolution.

Section 2: DEFINITIONS: When used in this Supplemental Resolution, the terms defined in the Resolution shall have the meanings therein stated, except as such definitions may be hereinafter amended and defined.

Section 3: AUTHORIZATION AND DESCRIPTION OF THE SERIES 2021 BONDS:

The Issuer hereby authorizes the issuance of a Series of Bonds in the aggregate principal amount not-to-exceed \$55,000,000 to be known as the "City of Miramar, Florida Taxable Special Obligation Refunding Revenue Bonds, Series 2021" (or such other designation

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as the City Manager may determine) for the principal purpose of providing moneys to advance refund a portion of the outstanding City of Miramar, Florida Special Obligation Refunding and Improvement Revenue Bonds, Series 2013. The principal amount of the Series 2021 Bonds to be issued hereunder and under the Resolution shall be determined by the City Manager, upon the advice of the Issuer's Financial Advisor, PFM Advisors, LLC (the "Financial Advisor") provided the amount does not exceed \$55,000,000.

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CITY OF MIRAMAR, FLORIDA

**TAXABLE SPECIAL OBLIGATION REFUNDING REVENUE BONDS, SERIES 2021
BOND RESOLUTION**

ADOPTED JUNE 16, 2021

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RESOLUTION 21-____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$55,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF MIRAMAR, FLORIDA TAXABLE SPECIAL OBLIGATION REFUNDING REVENUE BONDS, SERIES 2021, TO REFUND A PORTION OF THE CITY'S OUTSTANDING SPECIAL OBLIGATION REFUNDING AND IMPROVEMENT REVENUE BONDS SERIES 2013 IN ORDER TO ACHIEVE DEBT SERVICE SAVINGS; COVENANTING TO BUDGET AND APPROPRIATE CERTAIN LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE CITY TO PAY DEBT SERVICE ON THE BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE BONDS; AUTHORIZING A NEGOTIATED SALE OF SAID BONDS; DELEGATING CERTAIN AUTHORITY TO THE CITY MANAGER FOR THE AUTHORIZATION, EXECUTION AND DELIVERY OF A PURCHASE CONTRACT WITH RESPECT THERETO AND THE APPROVAL OF THE TERMS AND DETAILS OF SAID BONDS; APPOINTING THE PAYING AGENT AND REGISTRAR FOR SAID BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A DISCLOSURE DISSEMINATION AGENT AGREEMENT WITH DIGITAL ASSURANCE CERTIFICATION, L.L.C.; DELEGATING CERTAIN AUTHORITY TO THE CITY MANAGER TO DETERMINE WHETHER TO UTILIZE MUNICIPAL BOND INSURANCE FOR THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT AND APPOINTING THE ESCROW AGENT THERETO; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA AS FOLLOWS:

**ARTICLE I
GENERAL**

Section 1.01. DEFINITIONS: When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Act" shall mean Chapter 166, Florida Statutes, the Charter of the Issuer, and other applicable provisions of law.

"Amortization Installments" shall mean an amount determined as such pursuant to the provisions of this Resolution or a Supplemental Resolution of the Issuer and established with respect to Term Bonds.

"Annual Audit" shall mean the annual audit prepared pursuant to the requirements of Section 5.02 hereof.

"Annual Budget" shall mean the annual budget prepared pursuant to the requirements of Section 5.01 hereof.

"Annual Debt Service" shall mean the aggregate amount of Debt Service on the Bonds for each applicable Bond Year.

"Beneficial Owner" shall mean the actual owner of Bonds while the Bonds are registered in the name of Cede & Co., as the nominee of DTC. The Registrar is authorized to recognize the Beneficial Owners of Bonds for purposes of any consent, request, direction, approval, objection, or other instrument required by this Resolution if beneficial ownership is proven to the satisfaction of the trustee.

"Bond Counsel" shall mean Nabors, Giblin & Nickerson, P.A. or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states, political subdivisions and municipalities, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bondholder" or **"Holder"** or **"holder"** or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Issuer. So long as the Bonds are registered in the registration books in the name of Cede & Co., as nominee of The Depository Trust Company, for purposes of any consent, request, direction, approval, objection, or other instrument required by this Resolution the term "Holder" or "Bondholder" shall mean the Beneficial Owners of the Bonds.

"Bond Insurance Policy" shall have the meaning ascribed thereto in Section 9.06 hereof.

"Bonds" shall mean the City of Miramar, Florida Taxable Special Obligation Refunding Revenue Bonds, Series 2021.

"Bond Year" shall mean the period commencing on October 2 of each year and continuing through the next succeeding October 1.

"City Attorney" shall mean the City Attorney of the City of Miramar, Florida and such other person as may be duly authorized to act on the City Attorney's behalf.

"City Clerk" shall mean the City Clerk of the City of Miramar, Florida and such other person as may be duly authorized to act on her or his behalf.

"City Commission" shall mean the City Commission of the City of Miramar, Florida.

"City Manager" shall mean the City Manager of the City of Miramar, Florida and any duly appointed and acting Assistant City Manager of the City and such other person as may be duly authorized to act on his or her behalf.

"Counterparty" shall mean the entity entering into a Hedge Agreement with the Issuer. Counterparty would also include any guarantor of such entity's obligations under such Hedge Agreement.

"Debt" shall mean at any date (without duplication) all of the following to the extent that they are secured by or payable in whole or in part from any Non-Ad Valorem Revenues (A) all obligations of the Issuer for borrowed money or evidenced by bonds, debentures, notes or other similar instruments; (B) all obligations of the Issuer to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; (C) all obligations of the Issuer as lessee under capitalized leases; and (D) all indebtedness of other Persons to the extent guaranteed by, or secured by, Non-Ad Valorem Revenues of the Issuer; provided, however, if with respect to any obligation contemplated in (A), (B), or (C) above, the Issuer has covenanted to budget and appropriate sufficient Non-Ad Valorem Revenues as a secondary source of funds to satisfy such obligation but has not secured such obligation with a lien on or pledge of any Non-Ad Valorem Revenues then, and with respect to any obligation contemplated in (D) above, such obligation shall not be considered "Debt" for purposes of this Resolution unless the Issuer has actually used Non-Ad Valorem Revenues to satisfy such obligation during the immediately preceding Fiscal Year or reasonably expects to use Non-Ad Valorem Revenues to satisfy such obligation in the current or immediately succeeding Fiscal Year. After an obligation is considered "Debt" as a result of the proviso set forth in the immediately preceding sentence, it shall continue to be considered "Debt" until the Issuer has not used any Non-Ad Valorem Revenues to satisfy such obligation for two consecutive Fiscal Years.

"Debt Service" shall mean, at any time, the aggregate amount in the then applicable period of time of (1) interest required to be paid on the Outstanding Bonds during such period of time, except to the extent that such interest is to be paid from Bond proceeds for such purpose, (2) principal of Outstanding Serial Bonds maturing in such period of time, and (3) the Amortization Installments with respect to Outstanding Term Bonds coming due in such period of time. For purposes of this definition, (A) if the Bonds have 25% or more of the aggregate principal amount coming due in any one year, Debt Service shall be determined on the Bonds during such period of time as if the principal of, Amortization Installments on and interest on such Bonds were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of 25 years, and (B) with respect to debt service on any Bonds which are subject to a Qualified Hedge

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Agreement, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time.

"Escrow Agent" shall mean the escrow agent appointed by the Issuer with respect to the Escrow Deposit Agreement and its successor or assigns, if any. The Escrow Agent initially shall be U.S. Bank National Association.

"Escrow Deposit Agreement" shall mean the Escrow Deposit Agreement to be executed in connection with the refunding of the Refunded Bonds, between the Issuer and the Escrow Agent, the substantial form of which is attached hereto as Exhibit D.

"Federal Securities" shall mean non-callable direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of Treasury) or non-callable obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

"Financial Advisor" shall mean PFM Financial Advisors LLC, Orlando, Florida, and its successors or assigns.

"Fire and EMS Capital Improvement Fund" shall mean the "Fire and EMS Capital Improvement Fund" of the Issuer as described and identified in the Annual Audit.

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"Fitch" shall mean Fitch Ratings, and any assigns and successors thereto.

"General Fund" shall mean the "General Fund" of the Issuer as described and identified in the Annual Audit.

"General Fund Revenues" shall mean total revenues of the Issuer derived from any source whatsoever and that are allocated to and accounted for in the General Fund as shown in the Annual Audit.

"Hedge Agreement" shall mean an agreement in writing between the Issuer and a Counterparty pursuant to which (1) the Issuer agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on debt (or a notional amount) specified in such agreement during the period specified in such agreement and (2) the Counterparty agrees to pay to the Issuer an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on debt (or a notional amount) specified in such agreement during the period specified in such agreement.

"Hedge Payments" shall mean any amounts payable by the Issuer on the debt or the related notional amount under a Qualified Hedge Agreement; excluding, however, any payments due as a penalty or by virtue of termination of a Qualified Hedge Agreement or any obligation of the Issuer to provide collateral.

"Impact Fee Proceeds" shall mean the proceeds of all impact fees levied by the Issuer that are allocated to and accounted for in the Police Capital Improvement Fund, the Fire and EMS Capital Improvement Fund and the Park Development Fund as shown in the Annual Audit.

"Insured Bonds" shall have the meaning ascribed thereto in Section 9.06 hereof.

"Insurer" shall have the meaning ascribed thereto in Section 9.06 hereof.

"Interest Date" or **"interest payment date"** shall be April 1 and October 1 of each year.

"Issuer" or **"City"** shall mean the City of Miramar, Florida.

"Maximum Annual Debt Service" shall mean the largest aggregate amount of the Annual Debt Service coming due in any Bond Year in which Bonds are Outstanding.

"Moody's" shall mean Moody's Investors Service, Inc. and any assigns and successors thereto.

"Non-Ad Valorem Revenues" shall mean all General Fund Revenues, other than revenues generated from ad valorem taxation on real or personal property, and all Impact Fee Proceeds, but only to the extent they are legally available to make the payments required herein.

"Outstanding," when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which other Bond or Bonds have been issued under Section 2.06 hereof to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for other Bond or Bonds under Sections 2.05 and 2.07 hereof, (3) Bonds deemed to have been paid pursuant to Section 8.01 hereof and (4) Bonds cancelled after purchase in the open market or because of payment at, or redemption prior to, maturity.

"Park Development Fund" shall mean the "Park Development Fund" of the Issuer as described and identified in the Annual Audit.

"Paying Agent" shall mean the paying agent appointed by the Issuer for the Bonds and its successor or assigns, if any. The Paying Agent initially shall be U.S. Bank National Association.

"Police Capital Improvement Fund" shall mean the "Police Capital Improvement Fund" of the Issuer as described and identified in the Annual Audit.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, governmental entity or other legal entity.

"Prerefunded Obligations" shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (A) not callable prior to maturity or (B) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund held by a fiduciary consisting only of cash or Federal Securities, secured in substantially the manner set forth in Section 8.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Federal Securities, which have been deposited in such fund along with any cash on deposit in such fund are sufficient, as verified by an independent certified public accountant or other expert in such matters, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (1) above and are not available to satisfy any other claims, including those against the fiduciary holding the same, and (4) which are rated in the highest rating category (without regard to gradations, such as "+" or "-" or "1, 2 or 3" of such categories) of one of the Rating Agencies.

"Purchase Contract" shall mean the Bond Purchase Agreement to be executed between the Issuer and the Underwriters in accordance with Section 9.01 hereof, which Purchase Contract shall set forth the terms of the Bonds and the form of which is attached hereto as Exhibit A.

"Qualified Hedge Agreement" shall mean a Hedge Agreement with respect to which the Issuer has received written notice from at least two of the Rating Agencies that the rating of the Counterparty is not less than "A."

"Rating Agencies" shall mean Fitch, Moody's and Standard & Poor's.

"Refunded Bonds" shall mean that portion of the outstanding Series 2013 Bonds that is refunded in connection with the issuance of the Bonds in accordance with the provisions hereof.

"Refunding Securities" shall mean Federal Securities and Prerefunded Obligations.

"Registrar" shall mean the bond registrar appointed by the Issuer for the Bonds and its successor or assigns, if any. The Registrar initially shall be U.S. Bank National Association.

"Resolution" shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"Serial Bonds" shall mean all of the Bonds other than the Term Bonds.

"Series 2013 Bonds" shall mean City of Miramar, Florida Special Obligation Refunding and Improvement Revenue Bonds, Series 2013.

"Standard and Poor's" or **"S&P"** shall mean S&P Global Ratings, and any assigns and successors thereto.

"State" shall mean the State of Florida.

"Supplemental Resolution" shall mean any resolution of the Issuer amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 7.01, 7.02 or 7.03 hereof.

"Term Bonds" shall mean those Bonds which shall be designated as Term Bonds hereby.

"Underwriters" shall mean with respect to the City of Miramar, Florida Taxable Special Obligation Refunding Revenue Bonds, Series 2021, collectively, Siebert Williams Shank & Co., LLC and Loop Capital Markets LLC.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

Section 1.02. AUTHORITY FOR RESOLUTION: This Resolution is adopted pursuant to the provisions of the Act. The Issuer has ascertained and hereby determined that adoption of this Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the Issuer in accordance with the Act and to carry out and effectuate the plan and purpose of the Act, and that the powers of the Issuer herein exercised are in each case exercised in accordance with the provisions of the Act and in furtherance of the purposes of the Issuer.

Section 1.03. RESOLUTION TO CONSTITUTE CONTRACT: In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bonds, and shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds. The pledge made in the Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds but only in accordance with the terms hereof. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

Section 1.04. FINDINGS: It is hereby ascertained, determined and declared that:

(A) The Issuer previously issued the Series 2013 Bonds in order to finance and refinance the costs of various recreation park capital improvements (the "2013 Improvements").

(B) Certain of the 2013 Improvements have had limited private business use in the past and the Issuer anticipates that some of such use will continue in the future and may possibly increase.

(C) The Issuer has been advised by the Financial Advisor that the Issuer could achieve significant debt service savings by refinancing a portion of the Series 2013 Bonds.

(D) The Issuer determines it to be in its best interest to refund the Refunded Bonds in order to achieve debt service savings for the Issuer and to utilize an anticipatory remedial action with respect to the Series 2013 Bonds in the event of increased private use of the 2013 Improvements.

(E) A portion of the proceeds derived from the sale of the Bonds, together with other legally available moneys of the Issuer, shall be deposited into a special escrow deposit trust fund to purchase Federal Securities which shall be sufficient, together with the investment earnings therefrom and a cash deposit, if any, to pay the Refunded Bonds as the same become due and payable or are redeemed prior to maturity, all as provided herein and in the Escrow Deposit Agreement described in Section 9.05 hereof.

(F) Due to the potential volatility of the market for obligations and the complexity of the transactions relating to the Bonds, it is in the best interests of the Issuer to sell the Bonds by a negotiated sale, allowing the Issuer to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible prices and interest rates for the Bonds.

(G) The Issuer anticipates receiving a favorable offer to purchase the Bonds from the Underwriters, all within the parameters set forth herein.

(H) Inasmuch as the Issuer desires to sell the Bonds at the most advantageous time to obtain favorable financing terms and not wait for a scheduled meeting of the City Commission, so long as the herein described parameters are met, the Issuer hereby determines to delegate the award of the sale of the Bonds and certain other responsibilities to the City Manager.

(I) The Bonds shall be secured solely by a covenant of the Issuer, subject to certain conditions set forth herein, to budget and appropriate from Non-Ad Valorem Revenues amounts sufficient to pay the principal of and interest on the Bonds, when due.

(J) The principal of and interest on the Bonds to be issued pursuant to this Resolution and all other payments provided for in this Resolution will be paid solely from Non-Ad Valorem Revenues in accordance with the terms hereof; and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Bonds to be issued pursuant to this Resolution, or to make any other payments provided for in this Resolution, and the Bonds shall not constitute a lien upon any property whatsoever of or in the Issuer.

Section 1.05. AUTHORIZATION OF THE REFUNDING OF THE REFUNDED BONDS; ANTICIPATORY REMEDIAL ACTION: (A) The Issuer hereby authorizes the refunding of the Refunded Bonds.

(B) This Resolution shall be considered the Issuer's declaration of official intent to utilize an anticipatory remedial action pursuant to the Code with respect to the Series 2013 Bonds and the possible increased private business use of the 2013 Improvements.

[Remainder of page intentionally left blank]

ARTICLE II
AUTHORIZATION, TERMS, SALE, EXECUTION AND REGISTRATION OF BONDS

Section 2.01. AUTHORIZATION AND DESCRIPTION OF BONDS: This Resolution creates an issue of Bonds of the Issuer to be designated as "City of Miramar, Florida Taxable Special Obligation Refunding Revenue Bonds, Series 2021," issued in the aggregate principal amount of not exceeding \$55,000,000. The City Manager is authorized to modify the series designation of such Bonds, in his discretion, prior to the issuance thereof to the extent necessary or desirable. The City Manager shall determine the aggregate principal amount of the Bonds prior to their issuance provided such principal amount does not exceed \$55,000,000. The Bonds are issued for the principal purposes of refunding the Refunded Bonds and paying certain costs of issuance incurred with respect to the Bonds.

The Bonds shall be dated as of their date of delivery (or such other date as the City Manager may determine), shall be numbered consecutively from one upward in order of maturity preceded by the letter "R", shall be issued in the form of fully registered Bonds in denominations of \$5,000 and any integral multiple thereof, shall be initially in book-entry only form of registration, shall bear interest from their date of delivery (or such other date as the City Manager may determine), payable semi-annually on each Interest Date, commencing on October 1, 2021 (or such other date as the City Manager may determine). The Bonds shall bear interest computed on the basis of a 360-day year consisting of twelve 30-day months.

The Bonds shall bear interest at such rates and yields, shall mature on October 1 of each of the years and in the principal amounts corresponding to such years, and, except as otherwise provided herein, shall have such redemption provisions, all as determined by the City Manager, upon the advice of the Financial Advisor, subject to the conditions set forth in this Section 2.01 and in Section 9.01. All of the terms of the Bonds will be included in the Purchase Contract. The City Manager is hereby authorized to execute the Purchase Contract in substantially the form attached hereto as Exhibit A with such modifications as the City Manager deems appropriate upon satisfaction of the conditions described in this Section 2.01 and in Section 9.01 hereof, subject to review and approval by the City Attorney. Execution by the City Manager of the Purchase Contract shall be deemed to be conclusive evidence of approval of such modifications.

Except as otherwise provided in Section 2.08 hereof, the principal of the Bonds is payable upon presentation and surrender of the Bonds at the designated office of the Paying Agent. Interest payable on any Bond on any Interest Date will be paid by check or draft of the Paying Agent mailed to the Holder in whose name such Bond shall be registered on the registration books of the Issuer maintained by the Registrar as of the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or at the request of such Holder, by bank wire transfer for the account designated by such Holder. All payments of principal of and interest on the Bonds shall be payable in any coin or currency of the

United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 2.02. APPLICATION OF BOND PROCEEDS: The proceeds derived from the sale of the Bonds, including premium, if any, shall be applied by the Issuer as follows:

(A) A sufficient amount of Bond proceeds, together with other legally available moneys of the Issuer, if any, shall be deposited irrevocably in trust in an escrow deposit trust fund established under the terms and provisions of the hereinafter described Escrow Deposit Agreement and, other than a cash deposit, shall be invested in Refunding Securities in the manner set forth in the Escrow Deposit Agreement, which investments shall mature at such times and in such amounts as shall be sufficient, together with such cash deposit, to pay the principal of and interest on the Refunded Bonds as the same are redeemed on their redemption date.

(B) If the City Manager determines that any of the Bonds will be insured by the Bond Insurance Policy described in Section 9.06 hereof, a sufficient amount of the Bond proceeds will be applied to the payment of the premium for such Bond Insurance Policy.

(C) The remainder of the proceeds of the Bonds shall be applied to the payment of costs and expenses relating to the issuance of the Bonds.

Section 2.03. EXECUTION OF BONDS: The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the City Manager and the official seal of the Issuer shall be imprinted thereon, attested with the manual or facsimile signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

Section 2.04. AUTHENTICATION: No Bond shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated

and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.09 hereof.

Section 2.05. TEMPORARY BONDS: Until definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 2.03, and deliver, upon authentication by the Registrar pursuant to Section 2.04 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer by subsequent resolution and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Registrar.

Section 2.06. BONDS MUTILATED, DESTROYED, STOLEN OR LOST: In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered shall be cancelled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.06 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights to the same extent as all other Bonds issued hereunder.

Section 2.07. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER: Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be

exchanged for an equal aggregate principal amount of registered Bonds of the same maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

Each Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Bonds, forthwith (A) following the fifteenth (15th) day prior to an Interest Date for the Bonds; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds; and (C) at any other time as reasonably requested by the Paying Agent of such Bonds, shall certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds by mailing a check to the Holder entitled thereto or may, in lieu thereof, upon the request and expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Issuer shall execute and deliver Bonds and the Registrar shall authenticate such Bonds in accordance with the provisions of this Resolution. Execution of Bonds by the City Manager and City Clerk for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Bonds. All Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the Issuer to be cancelled by the Registrar. For every such exchange or

transfer of Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding an Interest Date on the Bonds or, in the case of any proposed redemption of Bonds, then, for the Bonds subject to redemption, during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

Section 2.08. FULL BOOK ENTRY FOR BONDS: Notwithstanding the provisions set forth in Section 2.07 hereof, the Bonds shall be initially issued in the form of a separate single certificated fully registered bond certificate for each of the maturities of the Bonds (or if there is more than one interest rate applicable to a maturity, a bond certificate shall be assigned for each interest rate). Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). All of the Outstanding Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. As long as the Bonds shall be registered in the name of Cede & Co., all payments of principal on the Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Holder of the Bonds, upon presentation of the Bonds to be paid, to the Paying Agent.

With respect to the Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (the "Participants"). Without limiting the immediately preceding sentence, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Bonds, (B) the delivery to any Participant or any other Person other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of or interest on the Bonds. The Issuer, the Registrar and the Paying Agent shall treat and consider the Person in whose name each Bond is registered in the registration books kept by the Registrar as the Holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal and interest on the Bonds to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the registration books kept by the Registrar, shall receive a certificated Bond evidencing the

obligation of the Issuer to make payments of principal and interest pursuant to the provisions of this Resolution. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in Section 2.07 with respect to transfers during the fifteen (15) days next preceding an Interest Date or mailing of notice of redemption, the words "Cede & Co." shall refer to such new nominee of DTC; and upon receipt of such notice, the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Issuer that such book-entry only system is burdensome or undesirable to the Issuer and compliance by the Issuer of all applicable policies and procedures of DTC regarding discontinuance of the book entry registration system, the Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions of this Resolution. In such event, the Issuer shall issue, and the Registrar shall authenticate, transfer and exchange the Bonds of like principal amount and maturity, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket Issuer Letter of Representations previously executed by the Issuer and delivered to DTC shall apply to the payment of principal of and interest on the Bonds.

Section 2.09. FORM OF BONDS: The text of the Bonds shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the City Manager prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

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Temp. Reso. No. 7378

2/24/21

6/8/21

No. R-__

\$_____.

**UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF MIRAMAR, FLORIDA
TAXABLE SPECIAL OBLIGATION REFUNDING REVENUE BONDS,
SERIES 2021**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP Number</u>
%	_____, 20__	_____, 2021	

Registered Holder: _____

Principal Amount: _____ THOUSAND AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Miramar, Florida, a municipal corporation duly created and validly existing under the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Non-Ad Valorem Revenues hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above on April 1 and October 1 of each year commencing October 1, 2021 until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

Such Principal Amount on this Bond is payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount on this Bond is payable at the designated office of U.S. Bank National Association, Fort Lauderdale, Florida, as Paying Agent. Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Issuer maintained by U.S. Bank National Association, Fort Lauderdale, Florida, as Registrar, at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date and shall be paid by a check or draft of such Paying Agent mailed to such Registered Holder or, at the request of such Registered Holder, by bank wire transfer for the account designated by such Holder. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$_____ (the "Bonds") of like date, tenor and effect, except as to maturity date,

Reso No. 21-__

interest rate, denomination and number issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 166, Florida Statutes, Florida Statutes, the Charter of the Issuer and other applicable provisions of law (collectively, the "Act"), and a resolution duly adopted by the City Commission of the Issuer, on June 16, 2021, as the same may be amended and supplemented (the "Resolution"), and is subject to all the terms and conditions of the Resolution. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Resolution. The Bonds are being issued to refund a portion of the Issuer's outstanding City of Miramar, Florida Special Obligation Refunding and Improvement Revenue Bonds, Series 2013.

Pursuant to the Resolution, the Issuer has covenanted to appropriate in its annual budget, by amendment, if necessary, such amounts of Non-Ad Valorem Revenues which are not otherwise pledged, restricted or encumbered, as shall be necessary to pay the principal of and interest on the Bonds when due and all required rebate payments. Such covenant to appropriate Non-Ad Valorem Revenues is not a pledge by the Issuer of such Non-Ad Valorem Revenues and is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds or other debt instruments) and also to the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of the inhabitants of the Issuer or which are legally mandated by applicable law.

IT IS EXPRESSLY AGREED BY THE REGISTERED HOLDER OF THIS BOND THAT THE FULL FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND AND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST. THIS BOND AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE AMOUNTS BUDGETED AND APPROPRIATED BY THE ISSUER AS DESCRIBED ABOVE AND TO THE EXTENT AND IN THE MANNER PROVIDED IN THE RESOLUTION.

The Issuer has established a book-entry system of registration for the Bonds. Except as specifically provided otherwise in the Resolution, an agent will hold this Bond on behalf of the beneficial owner thereof. By acceptance of a confirmation of purchase, delivery or transfer, the beneficial owner of this Bond shall be deemed to have agreed to such arrangement.

This Bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the designated office of the Registrar by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon

the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The Bonds are issuable in the form of fully registered Bonds in the denomination of \$5,000 and any integral multiple thereof, not exceeding the aggregate principal amount of the Bonds. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer shall not be obligated to make any exchange or transfer of the Bonds during the fifteen (15) days next preceding an interest payment date or, in the case of any proposed redemption of Bonds, then, for the Bonds subject to redemption, during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

(INSERT REDEMPTION PROVISIONS)

Redemption of this Bond under the preceding paragraphs shall be made as provided in the Resolution upon notice given by first class mail sent at least thirty (30) days prior to the redemption date to the Registered Holder hereof at the address shown on the registration books maintained by the Registrar; provided, however, that failure to mail notice to the Registered Holder hereof, or any defect therein, shall not affect the validity of the proceedings for redemption of other Bonds as to which no such failure or defect has occurred. In the event that less than the full principal amount hereof shall have been called for redemption, the Registered Holder hereof shall surrender this Bond in exchange for one or more Bonds in an aggregate principal amount equal to the unredeemed portion of principal, as provided in the Resolution.

As long as the book-entry only system is used for determining beneficial ownership of the Bonds, notice of redemption will only be sent to Cede & Co. Cede & Co. will be responsible for notifying the DTC Participants, who will in turn be responsible for notifying the beneficial owners of the Bonds. Any failure of Cede & Co. to notify any DTC Participant, or of any DTC Participant to notify the beneficial owner of any such notice, will not affect the validity of the redemption of the Bonds.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing this Bond, the nature, manner and extent of enforcement of such pledge and covenants, and the rights, duties, immunities and obligations of the Issuer.

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

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2/24/21

6/8/21

laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions.

Neither the City Manager nor the members of the City Commission of the Issuer nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, the City Commission of the City of Miramar, Florida has issued this Bond and has caused the same to be executed by the manual or facsimile signature of the City Manager, and to be attested by the manual or facsimile signature of the City Clerk of the City of Miramar, Florida, and its corporate seal or a facsimile thereof to be affixed or reproduced hereon, all as of the Date of Original Issue.

CITY OF MIRAMAR, FLORIDA

(SEAL)

City Manager

Approved:

City Clerk

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CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the Issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

_____, 2021

Registrar

By: _____
Authorized Officer

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Insert Social Security or Other Identifying Number of Assignee

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____, as attorneys to register the transfer of the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

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

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

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

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

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

ARTICLE III REDEMPTION OF BONDS

Section 3.01. PRIVILEGE OF REDEMPTION: The Bonds shall be subject to such optional and mandatory sinking fund redemption provisions as shall be determined in accordance with Section 9.01 hereof and as set forth in the Purchase Contract.

Section 3.02. SELECTION OF BONDS TO BE REDEEMED: The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than 45 days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof. Notwithstanding the foregoing, in the event that less than the entire principal amount of a Term Bond is to be optionally redeemed, the Issuer shall determine how the principal amount of such refunded Term Bond is to be allocated to the Amortization Installments for the Term Bond and shall notify the Paying Agent and Registrar of such allocation.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Notwithstanding the foregoing, in the event any make-whole optional redemption provisions are established with respect to the Bonds in accordance with Section 9.01 hereof, if there is a partial redemption of less than the full principal amount of any particular maturity of the Bonds, the Bonds to be so redeemed may be selected on a "pro rata pass-through distribution of principal" basis in accordance with DTC's procedures.

Section 3.03. NOTICE OF REDEMPTION: Notice of such redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Issuer, and (A) shall be filed with the Paying Agent of such Bonds (if the Registrar is not also acting as the Paying Agent), (B) shall be mailed first class, postage prepaid, not less than thirty (30) days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice, and (C) shall be mailed, certified mail, postage prepaid, at least thirty (30) days prior to the redemption date to the registered securities depositories and two or more nationally recognized municipal bond information services as hereinafter

provided in this Section 3.03. Failure to mail such notice to such depositories or services or the Holders of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure or defect has occurred. Failure of any Holder to receive any notice mailed as herein provided shall not affect the proceedings for redemption of such Holder's Bonds.

Each notice of redemption shall state: (1) the CUSIP numbers and any other distinguishing number or letter of all Bonds being redeemed, (2) the original issue date of such Bonds, (3) the maturity date and rate of interest borne by each Bond being redeemed, (4) the redemption date, (5) the amount of principal to be redeemed, (6) the date on which such notice is mailed, (7) if less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Bond to be redeemed the principal amount thereof, or the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the amount of principal to be redeemed at the designated office of the Registrar at an address specified, (10) the name and telephone number of a person designated by the Registrar to be responsible for such redemption, (11) unless sufficient funds have been set aside by the Issuer for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption, and (12) any other conditions that must be satisfied prior to such redemption.

In addition to the mailing of the notice described above, each notice of redemption and payment of the amounts due shall meet the following requirements; provided, however, the failure to provide such further notice of redemption or to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above:

(A) Each further notice of redemption shall be sent by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to two or more national information services which disseminate notices of prepayment or redemption of obligations such as the Bonds.

(B) Each further notice of redemption shall be sent to such other Person, if any, as shall be required by applicable law or regulation.

The Issuer may provide that a redemption will be contingent upon the occurrence of certain conditions and that if such conditions do not occur the notice of redemption will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Bondholders as soon as practicable but in no event later than three business days following knowledge by the Issuer and/or the Registrar that the condition for redemption has not or will not occur.

Section 3.04. REDEMPTION OF PORTIONS OF BONDS: Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of any authorized denomination, as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

Section 3.05. PAYMENT OF REDEEMED BONDS: Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the principal amount therein specified, and from and after such date (unless the Issuer shall default in the payment of the applicable principal amount) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the applicable principal amount, plus accrued interest. All Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

Section 3.06. PURCHASE IN LIEU OF OPTIONAL REDEMPTION. Notwithstanding anything in this Resolution to the contrary, at any time the Bonds are subject to optional redemption pursuant to this Resolution, all or a portion of the Bonds to be redeemed as specified in the notice of redemption, may be purchased by the Paying Agent, as trustee, at the direction of the Issuer, on the date which would be the redemption date if such Bonds were redeemed rather than purchased in lieu thereof, at a purchase price equal to the redemption price which would have been applicable to such Bonds on the redemption date for the account of and at the direction of the Issuer who shall give the Paying Agent, as trustee, notice at least ten days prior to the scheduled redemption date. In the event the Paying Agent, as trustee, is so directed to purchase Bonds in lieu of optional redemption, no notice to the holders of the Bonds to be so purchased (other than the notice of redemption otherwise required under this Resolution) shall be required, and the Paying Agent, as trustee, shall be authorized to apply to such purchase the funds which would have been used to pay the redemption price for such Bonds if such Bonds had been redeemed rather than purchased. Each Bond so purchased shall not be canceled or discharged and shall be registered in the name of the Issuer. Bonds to be purchased under this Resolution in the manner set forth above which are not delivered to the Paying Agent, as trustee, on the purchase date shall be deemed to have been so purchased and not optionally redeemed on the purchase date and shall cease to accrue interest as to the former holder thereof on the purchase date.

ARTICLE IV SECURITY; FUNDS; COVENANTS OF THE ISSUER

Section 4.01. BONDS NOT TO BE INDEBTEDNESS OF ISSUER: The Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from amounts budgeted and appropriated by the Issuer from Non-Ad Valorem Revenues in accordance with Section 4.02 hereof. No Holder of any Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bond, or be entitled to payment of such Bond from any moneys of the Issuer except from the Non-Ad Valorem Revenues in the manner and to the extent provided herein.

Section 4.02. COVENANT TO BUDGET AND APPROPRIATE; PAYMENT OF BONDS: The Issuer covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues amounts sufficient to pay principal of and interest on the Bonds when due. Such covenant and agreement on the part of the Issuer to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the Issuer, the Issuer does not covenant to maintain any services or programs, now provided or maintained by the Issuer, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Bondholders a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of any Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate for the purposes and in the manner stated herein shall have the effect of making available for the payment of the Bonds, in the manner described herein, Non-Ad Valorem Revenues and placing on the Issuer a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Section 166.241(2), Florida Statutes, which generally provide that the governing body of each municipality may only make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of the inhabitants of the Issuer or which are legally mandated by applicable law.

The Issuer covenants and agrees to transfer to the Paying Agent for the Bonds, solely from funds budgeted and appropriated as described in this Section 4.02, on or

before the date designated for payment of any principal of or interest on the Bonds, sufficient moneys to pay such principal or interest. The Registrar and Paying Agent shall utilize such moneys for payment of the principal and interest on the Bonds when due.

Section 4.03. ANTI-DILUTION: During such time as any Bonds are Outstanding hereunder, the Issuer agrees and covenants with the Bondholders that upon the issuance of any subsequent Debt (1) Non-Ad Valorem Revenues shall cover projected Maximum Annual Debt Service on the Bonds and maximum annual debt service on Debt by at least 1.5x; and (2) projected Maximum Annual Debt Service on the Bonds and maximum annual debt service for all Debt will not exceed 20% of the aggregate of General Fund Revenues and Impact Fee Proceeds exclusive of (a) ad valorem tax revenues restricted to payment of debt service on any Debt and (b) any proceeds of the Bonds or Debt. The calculations required by clauses (1) and (2) above shall be determined using the average of actual Non-Ad Valorem Revenues, General Fund Revenues and Impact Fee Proceeds for the prior two Fiscal Years based on the Issuer's Annual Audits. For purposes of the calculations required by clauses (1) and (2) above, Maximum Annual Debt Service on the Bonds and maximum annual debt service on Debt shall be calculated on an aggregate basis whereby the annual debt service for each is combined and the overall maximum is determined.

For the purposes of the covenants contained in this Section 4.03, maximum annual debt service on Debt means, with respect to Debt that bears interest at a fixed interest rate, the actual maximum annual debt service, and, with respect to Debt which bears interest at a variable interest rate, maximum annual debt service on such Debt shall be determined assuming that interest accrues on such Debt at the current "Bond Buyer Revenue Bond Index" as published in *The Bond Buyer* no more than two weeks prior to any such calculation; provided, however, if any Debt, whether bearing interest at a fixed or variable interest rate, constitutes Balloon Indebtedness, as defined in the immediately following sentence, maximum annual debt service on such Debt shall be determined assuming such Debt is amortized over 20 years on an approximately level debt service basis. For purposes of the foregoing sentence, "Balloon Indebtedness" means Debt, 25% or more of the original principal of which matures during any one Fiscal Year. In addition, with respect to debt service on any Debt which is subject to a Qualified Hedge Agreement, interest on such Debt during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time. With respect to debt service on any Debt for which the Issuer elects to receive or is otherwise entitled to receive direct subsidy payments from the United States Department of Treasury, when determining the interest on such Debt for any particular interest payment date the amount of the corresponding subsidy payment shall be deducted from the amount of interest which is due and payable with respect to such Debt on the interest payment date, but only to the extent that the Issuer reasonably believes that it will be in receipt of such subsidy payment on or prior to such interest payment date. Maximum annual debt service on Debt shall be determined on a Bond Year basis.

ARTICLE V COVENANTS

Section 5.01. ANNUAL BUDGET: The Issuer shall annually prepare and adopt, prior to the beginning of each Fiscal Year, an Annual Budget in accordance with applicable law.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such year shall be deemed to be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year is adopted.

The Issuer shall provide, or cause to be available, the Annual Budget to any Holder or Holders of Bonds upon written request. The Issuer shall be permitted to make a reasonable charge for furnishing such information to such Holder or Holders.

Section 5.02. ANNUAL AUDIT: The Issuer shall, immediately after the close of each Fiscal Year, cause the books, records and accounts relating to the Issuer to be properly audited by a recognized independent firm of certified public accountants, and shall require such accountants to complete their report of such Annual Audit in accordance with applicable law. Each Annual Audit shall be in conformity with generally accepted accounting principles as applied to governmental entities.

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ARTICLE VI DEFAULTS AND REMEDIES

Section 6.01. EVENTS OF DEFAULT: The following events shall each constitute an "Event of Default":

(A) Default shall be made in the payment of the principal of or interest on any Bond when due.

(B) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of 30 days after written notice of such default shall have been received from the Holders of not less than 25% of the aggregate principal amount of Bonds Outstanding. Notwithstanding the foregoing, the Issuer shall not be deemed to be in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

Section 6.02. REMEDIES: Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof; provided, however, that no Holder, trustee or receiver shall have the right to declare the Bonds immediately due and payable.

The Holder or Holders of Bonds in an aggregate principal amount of not less than 25% of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the City Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve

shall be filed with the Issuer and the trustee and notice of such appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

Section 6.03. DIRECTIONS TO TRUSTEE AS TO REMEDIAL PROCEEDINGS: The Holders of a majority in principal amount of the Bonds then Outstanding) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder with respect to the Bonds owned by such Holders, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

Section 6.04. REMEDIES CUMULATIVE: No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 6.05. WAIVER OF DEFAULT: No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 6.02 to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

Section 6.06. APPLICATION OF MONEYS AFTER DEFAULT: If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for the purpose shall apply all moneys received from the Issuer for payment of the Outstanding Bonds as follows and in the following order:

A. To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver and Registrar hereunder;

B. To the payment of the interest and principal then due on the Bonds, as follows:

(1) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due (other than interest on Bonds for the payment of which moneys are held pursuant to the provisions of

Section 8.01 of this Resolution), in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the principal amount of any Bonds called for optional redemption pursuant to the provisions of this Resolution (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution).

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

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**ARTICLE VII
SUPPLEMENTAL RESOLUTIONS**

Section 7.01. SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT: The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(E) To specify and determine the matters and things referred to in Section 2.01 hereof and also any other matters and things relative to the Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of the Bonds.

(F) To make any other change that, in the reasonable opinion of the Issuer, would not materially adversely affect the interests of the Holders of the Bonds.

Section 7.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS' CONSENT: Subject to the terms and provisions contained in this Section 7.02 and Sections 7.01 and 7.03 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. Any Supplemental Resolution

which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of the Insurer of any Insured Bonds which are Outstanding at the time such Supplemental Resolution shall take effect if such Insurer is not in payment default under its Bond Insurance Policy. No Supplemental Resolution may be approved or adopted which shall permit or require, without the consent of all affected Bondholders, (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the rate of interest thereon, (C) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (D) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or the Insurer of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the City Clerk shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the City Clerk and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the City Clerk an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be

determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

Section 7.03. AMENDMENT WITH CONSENT OF INSURERS AND CREDIT BANKS ONLY. For purposes of amending this Resolution pursuant to Section 7.02 hereof, an Insurer of Bonds shall be considered the Holder of such Bonds which it has insured; provided that such Insurer is not in default with respect to its obligations under its Bond Insurance Policy, and the consent of the Holders of such Bonds shall not be required if the Insurer of such Bonds shall consent to the amendment as provided by this Section 7.03. Upon filing with the Issuer of evidence of such consent of the Insurer as aforesaid, the amendments in such Supplemental Resolution may be effective. After the adoption by the Issuer of such Supplemental Resolution, notice thereof shall be mailed in the same manner as notices of an amendment under Section 7.02 hereof. Notwithstanding the foregoing, the consent of all affected Bondholders shall still be required with respect to any amendment set forth in Clauses (A), (B), (C) or (D) in the first paragraph of Section 7.02 hereof.

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ARTICLE VIII DEFEASANCE

Section 8.01. DEFEASANCE: If the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Holders of any Bonds, the principal and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, all covenants, agreements and other obligations of the Issuer to the holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for payment or redemption of any Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto shall be deemed to have been paid within the meaning of this Section 8.01 if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption or provide for their redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (ii) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Refunding Securities verified by an independent certified public accountant to be in such amount that the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with such banking institution or trust company at the same time shall be sufficient, to pay the principal of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with such banking institution or trust company nor any moneys received by such bank or trust company on account of principal of or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of the Bonds for the payment of which they were deposited and the interest accruing thereon to the date of redemption or maturity, as the case may be; provided, however, the Issuer may substitute new Refunding Securities and moneys for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of and interest on the refunded Bonds.

If Bonds are not to be redeemed or paid within 60 days after any such defeasance described in this Section 8.01, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or Refunding Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity date upon which moneys are to be available for the payment of the principal of and interest on said Bonds. Failure to provide said notice shall not affect the Bonds being deemed to have been paid in accordance with the provisions of this Section 8.01.

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Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

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**ARTICLE IX
PROVISIONS RELATING TO BONDS**

Section 9.01. CONDITIONS TO EXECUTION OF PURCHASE

CONTRACT: The Purchase Contract described in Section 2.01 hereof shall not be executed by the City Manager until such time as all of the following conditions have been satisfied:

(A) Receipt by the City Manager of a written offer to purchase the Bonds by the Underwriters substantially in the form of the Purchase Contract attached hereto as Exhibit A, said offer to provide for, among other things, (i) not exceeding \$55,000,000 aggregate principal amount of Bonds, (ii) an underwriting discount (including management fee and expenses) not in excess of 0.40% of the aggregate par amount of the Bonds, (iii) a true interest cost with respect to the Bonds of no more than 4.00%, as determined by the Financial Advisor, (iv) net present value debt service savings no less than 5.00% of the principal amount of the Refunded Bonds, as determined by the Financial Advisor, (v) the maturities of the Bonds with the final maturity being not later than October 1, 2038.

(B) With respect to optional redemption terms, if any, for the Bonds, the first optional redemption date may be no later than October 1, 2031 and there shall be no call premium. Term Bonds may be established for the Bonds with such Amortization Installments as the City Manager may determine upon the advice of the Financial Advisor. In addition, the City Manager, upon the advice of the Financial Advisor, may establish make-whole optional redemption provisions with respect to any of the Bonds; provided, however, any such redemption must be prior to October 1, 2031.

(C) Receipt by the City Manager of a disclosure statement and a truth-in-bonding statement of the Underwriters dated the date of the Purchase Contract and complying with Section 218.385, Florida Statutes.

(D) Receipt by the City Manager from the Underwriters of a good faith deposit in an amount at least equal to 1.00% of the preliminary aggregate principal amount of the Bonds set forth on the cover page of the hereinafter described Preliminary Official Statement.

(E) The City Manager shall have determined, upon the advice of the Financial Advisor, whether any of the Bonds will be insured by the Bond Insurance Policy described in Section 9.06 hereof.

Upon satisfaction of all the requirements set forth in this Section 9.01, the City Manager is authorized to execute and deliver the Purchase Contract containing terms complying with the provisions of this Section 9.01 and the Bonds shall be sold to the Underwriters pursuant to the provisions of such Purchase Contract.

Section 9.02. PRELIMINARY OFFICIAL STATEMENT; OFFICIAL

STATEMENT: (A) The Issuer hereby authorizes the use and distribution of the Preliminary Official Statement, in substantially the form attached hereto as Exhibit C, by

the Underwriters for the purpose of offering the Bonds for sale with such changes, modifications and insertions as the City Manager may determine. The City Manager and the Finance Director of the Issuer are each hereby authorized to execute a certificate deeming the Preliminary Official Statement "final" in accordance with paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and the applicable rules developed by the Municipal Securities Rulemaking Board. Execution by the City Manager or the Finance Director of a certificate deeming the Preliminary Official Statement "final" as described above shall be conclusive evidence of the approval of any insertions, changes, deletions or modifications.

(B) Subject to the satisfaction in all respects of the conditions set forth in Section 9.01 hereof, the City Manager is hereby authorized and directed to execute and deliver a final Official Statement, dated the date of the Purchase Contract, which shall be in substantially the form of the Preliminary Official Statement, in the name and on behalf of the Issuer, and thereupon to cause such Official Statement to be delivered to the Underwriters with the pricing terms of the Bonds included therein and with such other changes, amendments, modifications, omissions and additions as may be approved by the City Manager. Said Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the City Manager, and the information contained therein are hereby authorized to be used in connection with the sale of the Bonds to the public. Execution by the City Manager of the Official Statement shall be deemed to be conclusive evidence of approval of such changes.

Section 9.03. APPOINTMENT OF PAYING AGENT AND REGISTRAR:

Subject in all respects to the satisfaction of the conditions set forth in Section 9.01 hereof, U.S. Bank National Association, is hereby designated Registrar and Paying Agent for the Bonds. The City Manager is hereby authorized to execute and deliver and the Clerk is authorized to attest any agreements prepared by Bond Counsel and reviewed by the City Attorney that are necessary to engage the Paying Agent and Registrar.

Section 9.04. AUTHORIZATION TO EXECUTE ESCROW DEPOSIT AGREEMENT: Subject in all respects to the satisfaction of the conditions set forth in Section 9.01 hereof, the Issuer hereby authorizes the City Manager to execute and the Clerk to attest an Escrow Deposit Agreement (the "Escrow Deposit Agreement") and to deliver the Escrow Deposit Agreement to U.S. Bank National Association, which is hereby appointed as escrow agent thereunder (the "Escrow Agent"). All of the provisions of the Escrow Deposit Agreement when executed and delivered by the Issuer as authorized herein and when duly authorized, executed and delivered by the Escrow Agent, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein, and the Escrow Deposit Agreement shall be in substantially the form attached hereto as Exhibit D, with such changes, amendments, modifications, omissions and additions, including the date of such Escrow Deposit Agreement, as may be approved by the City Manager. Execution by the City Manager of the Escrow Deposit Agreement shall be deemed to be conclusive evidence of the approval of such changes. Prior to the execution of the Escrow Deposit Agreement, the City Manager, upon the advice of the Financial Advisor, shall determine whether the escrow deposit trust fund shall be funded

with cash and/or Refunding Securities and the Escrow Deposit Agreement may be modified accordingly.

The Financial Advisor and any affiliated company of the Financial Advisor and Bond Counsel are each authorized to take any and all such action as is necessary to procure Refunding Securities to accomplish the refunding of the Refunded Bonds and the Issuer shall pay for all costs and expenses associated therewith.

Section 9.05. SECONDARY MARKET DISCLOSURE: Subject in all respects to the satisfaction of the conditions set forth in Section 9.01 hereof, the Issuer hereby covenants and agrees that, in order to provide for compliance by the Issuer with the secondary market disclosure requirements of the Rule, it will comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement to be executed between the Issuer and Digital Assurance Certification, L.L.C. which is hereby appointed as the Dissemination Agent thereunder (the "Disclosure Agreement"). The Disclosure Agreement shall be dated the dated date of the Bonds and shall be substantially in the form of Exhibit B hereto, with such changes, amendments, modifications, omissions and additions as shall be approved by the City Manager, who is hereby authorized to execute and deliver such Agreement. Notwithstanding any other provision of the Resolution, failure of the Issuer to comply with such Disclosure Agreement shall not be considered an event of default under this Resolution; provided, however, to the extent permitted by law, the sole and exclusive remedy of any Bondholder for the enforcement of the provisions of the Disclosure Agreement shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations under this Section 9.04 and such Disclosure Agreement. For purposes of this Section 9.04, "Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding such Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any such Bond for federal income tax purposes.

Section 9.06. MUNICIPAL BOND INSURANCE: If the City Manager determines, upon the advice of the Financial Advisor, that all or any portion of the Bonds (the "Insured Bonds") will be insured by a municipal bond insurance policy, then the City Manager, upon the advice of the Financial Advisor and Bond Counsel, shall select either Assured Guaranty Municipal Corp. ("AGM") or Build America Mutual Assurance Company ("BAM") as the municipal bond insurer with respect to the Insured Bonds (the "Insurer") and a sufficient portion of the proceeds of the Bonds shall be applied to the payment of the premium for the Insurer's standard form of municipal bond insurance policy (the "Bond Insurance Policy") in accordance with the provisions of Section 2.02(B) hereof. The City Manager is authorized and directed to execute, and the City Clerk is authorized to attest, any insurance agreement (the "Bond Insurance Agreement") that is necessary to incorporate the standard municipal bond insurance provisions required by the Insurer, which provisions shall be substantially the same as the respective provisions set forth in Exhibit E hereto. Such Bond Insurance Agreement shall be subject to the approval of Bond Counsel and the City Attorney, such approval being evidenced by the City Manager's execution thereof. Subject in all respects to the satisfaction of the conditions

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set forth in Section 9.01 hereof, so long as the Bond Insurance Policy issued by the Insurer is in full force and effect and the Insurer has not defaulted in its payment obligations under the Bond Insurance Policy, the Issuer agrees to comply with the provisions of any Bond Insurance Agreement executed in accordance with this Section 9.06.

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ARTICLE X MISCELLANEOUS

Section 10.01. SALE OF BONDS: The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law.

Section 10.02. GENERAL AUTHORITY. The Mayor, the members of the City Commission of the Issuer, the City Manager, the City Clerk, the Finance Director and the officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Resolution, the Official Statement, the Disclosure Agreement, the Escrow Deposit Agreement, the Bond Insurance Agreement, if any, or the Purchase Contract or desirable or consistent with the requirements thereof, for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Bonds, this Resolution, the Official Statement, the Disclosure Agreement, the Escrow Deposit Agreement, the Bond Insurance Agreement, if any, and the Purchase Contract and each member, employee, attorney and officer of the Issuer, the Mayor, the City Manager, the City Clerk, and the Finance Director is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder. To the extent the Mayor is unable or unavailable to perform any obligation or duty hereunder, the Vice Mayor is authorized to act on his behalf. To the extent the City Manager is unable or unavailable to perform any obligation or duty hereunder, any Assistant City Manager and/or the Finance Director is authorized to act on his behalf. To the extent that the City Clerk is unable or unavailable to perform any obligation or duty hereunder, any Deputy or Assistant City Clerk is authorized to act on her behalf.

Section 10.03. SEVERABILITY OF INVALID PROVISIONS: If any one or more of the covenants, agreements or provisions of 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 whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

Section 10.04. VALIDATION AUTHORIZED: To the extent deemed necessary by Bond Counsel or desirable by the City Attorney, Bond Counsel is authorized to institute appropriate proceedings for validation of the Bonds herein authorized pursuant to Chapter 75, Florida Statutes.

Section 10.05. REPEAL OF INCONSISTENT RESOLUTIONS: All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

Section 10.06. **EFFECTIVE DATE:** This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 16th day of June, 2021.

(SEAL)

Mayor, Wayne M. Messam

Vice Mayor, Yvette Colbourne

ATTEST:

Denise A. Gibbs, City Clerk

I HEREBY CERTIFY that I have
approved this RESOLUTION
as to form:

City Attorney
Austin Pamies Norris Weeks Powell, PLLC

Requested by Administration

Commissioner Winston F. Barnes
Commissioner Maxwell B. Chambers
Vice Mayor Yvette Colbourne
Commissioner Alexandra P. Davis
Mayor Wayne M. Messam

Voted

[\$ _____]
CITY OF MIRAMAR, FLORIDA
TAXABLE SPECIAL OBLIGATION
REFUNDING REVENUE BONDS, SERIES 2021

BOND PURCHASE AGREEMENT

June [], 2021

The City Commission
City of Miramar, Florida
2300 Civic Center Place
Miramar, Florida 33025

Ladies and Gentlemen:

Siebert Williams Shank & Co., LLC, on behalf of itself and as representative (the "Representative") of and Loop Capital Markets LLC (together with the Representative, the "Underwriters") hereby offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the City of Miramar, Florida, a municipal corporation duly organized and validly existing under and pursuant to the laws of the State of Florida (the "Issuer" or "City"), whereby the Underwriters will purchase and the Issuer will sell the Bonds (as defined and described below). The Underwriters are making this offer subject to the acceptance by the Issuer at or before 5:00 P.M., E.D.T., on the date hereof. If the Issuer accepts this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind both the Issuer and the Underwriters. The Underwriters may withdraw this Purchase Agreement upon written notice delivered by the Representative to the City Manager of the Issuer at any time before the Issuer accepts this Purchase Agreement. Terms used but not defined in this Purchase Agreement are defined in the Resolution (as defined below).

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the following bonds: [\$ _____] City of Miramar, Florida Taxable Special Obligation Refunding Revenue Bonds, Series 2021 (the "Bonds"), at the purchase price of [\$ _____], representing the aggregate principal amount of the Bonds less an Underwriters' discount of [\$ _____], [less/plus [net] original issue discount/premium] of [\$ _____].

The Issuer acknowledges and agrees that: (i) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Issuer and the Underwriters and the Underwriters have financial and other interests that differ from those of the Issuer; (ii) the Underwriters are not acting as municipal advisors, financial advisors or fiduciaries to the Issuer and have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters

have provided other services or are currently providing other services to the Issuer on other matters); (iii) the only obligations the Underwriters have to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate. If the City would like a municipal advisor in this transaction that has legal fiduciary duties to the City, then the City is free to engage a municipal advisor to serve in that capacity.

2. Description and Purpose of the Bonds. The Bonds are being issued pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 166, Florida Statutes, as amended, the Charter of the City and other applicable provisions of law (collectively, the "Act") and Resolution No. 21-___ adopted by the City Commission of the City (the "City Commission") on June 16, 2021 (the "Resolution"). The Bonds shall be dated the date of delivery. The Bonds shall be issued and secured under and pursuant to the Resolution, and are payable from and secured by Non-Ad Valorem Revenues in the manner and to the extent provided under the Resolution.

The Bonds are being issued for the purpose of providing funds, together with other legally available moneys of the City, to (i) advance refund and defease a portion of the outstanding City of Miramar, Florida Special Obligation Refunding and Improvement Revenue Bonds, Series 2013 (the "Refunded 2013 Bonds"), and (ii) pay certain costs of issuing the Bonds.

Pursuant to the Resolution, the City has covenanted and agreed, subject to certain restrictions and limitations, to appropriate in its annual budget, by amendment, if necessary, from certain legally available non-ad valorem revenues of the City, amounts sufficient to pay the principal of and interest on the Bonds when due in the manner and to the extent provided in the Resolution.

The Bonds shall mature in the years, bear interest, be purchased at the prices and be subject to optional redemption at the times and in the amounts, all as set forth in Schedule I attached hereto. The authorized denominations, record dates, interest payment dates, principal payment dates, and other details and particulars of the Bonds shall be as described in the Resolution and the Official Statement (as defined below) of the Issuer.

3. Public Offering. The Underwriters intend to make an initial bona fide initial public offering of all of the Bonds in conformance with applicable MSRB rules

Simultaneously with the submission of this offer to purchase the Bonds pursuant to this Purchase Agreement, the Underwriters have provided the Issuer all applicable disclosure and "truth-in-bonding" information required by Section 218.385, Florida Statutes, and the Issuer, by its acceptance hereof, accepts such disclosure and agrees that it does not require any further disclosure from the Underwriters prior to the delivery of the Bonds with regard to the matters set forth in Section 218.385, Florida Statutes. The Disclosure and Truth-in-Bonding Statement submitted by the Underwriters in compliance with Section 218.385, Florida Statutes, is attached hereto as Exhibit A.

4. **Good Faith Check.** Delivered to the Issuer herewith is a corporate check payable to its order in the amount of [\$_____] representing approximately 1% of the par amount of the Bonds as shown on the cover of the Preliminary Official Statement (the "Good Faith Check"). If the Issuer does not accept this offer, the Issuer shall promptly return the Good Faith Check to the Representative. If it accepts this offer, the Issuer agrees to hold the Good Faith Check uncashed until the Closing. At the Closing and upon the delivery of the Bonds, the Issuer shall return the Good Faith Check to the Representative and the Underwriters shall pay the Issuer the entire purchase price of the Bonds. If the Issuer fails to deliver the Bonds at the Closing, or if the Issuer shall be unable to satisfy the conditions of the obligations of the Underwriters set forth in this Purchase Agreement (unless waived by the Underwriters), or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Agreement, the Issuer shall promptly return the Good Faith Check to the Underwriters and such return shall constitute a full release and discharge of all claims and rights hereunder of the Underwriters against the Issuer. If the Underwriters fail (other than for a reason permitted herein) to accept delivery of and to pay for the Bonds at the Closing as herein provided, the Issuer shall retain and cash the Good Faith Check as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters and, except as set forth in this Section and Sections 5 and 9 hereof, neither party shall have any further rights against the other hereunder. No interest shall be paid by the Issuer upon the principal amount of the Good Faith Check.

5. **Delivery of the Official Statement and Other Documents.**

(a) The Issuer has delivered or caused to be delivered to the Underwriters copies of the Preliminary Official Statement dated June [__], 2021, which, together with the cover page and appendices thereto, is herein referred to as the "Preliminary Official Statement." It is acknowledged by the Issuer that the Underwriters may deliver the Preliminary Official Statement and a final Official Statement (as hereinafter defined) electronically over the internet and in printed paper form. For purposes of this Purchase Agreement, the printed paper form of the Preliminary Official Statement and the Official Statement are deemed controlling. The Issuer deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof.

(b) Within seven (7) business days from the date hereof, and in any event not later than two (2) business days before the Closing Date, the Issuer shall deliver to the Underwriters a final Official Statement relating to the Bonds dated the date hereof (such Official Statement, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, Bond Counsel, Disclosure Counsel and the Underwriters, is referred to herein as the "Official Statement") and such additional conformed copies thereof as the Representative may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board ("MSRB") and to meet potential customer requests for copies of the Official Statement. The Underwriters agree to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer, with the MSRB on its Electronic Municipal Markets Access ("EMMA") system. The Issuer shall execute the Official Statement by

an authorized officer of the Issuer. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Representative. The Underwriters hereby agree to cooperate and assist in the preparation of the Official Statement. The Issuer hereby agrees to deliver to the Underwriters an electronic copy of the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission ("SEC"). The Issuer hereby ratifies, confirms and approves the use and distribution by the Underwriters before the date hereof of the Preliminary Official Statement and hereby authorizes the Underwriters to use the Official Statement and the Resolution in connection with the public offering and sale of the Bonds.

(c) To assist the Underwriters in complying with Rule 15c2-12, the Issuer will undertake, pursuant to the Disclosure Dissemination Agent Agreement, dated as of the date of issuance of the Bonds, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent (the "Disclosure Agreement"), to provide annual financial and operating information and notices of the occurrence of specified events. A form of the Disclosure Agreement is set forth in the Preliminary Official Statement and the Official Statement.

6. Representations. The Issuer represents to and agrees with the Underwriters that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriters pursuant to the Act and the Resolution, and execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Resolution, the Bonds, the Disclosure Agreement, the Escrow Deposit Agreement dated as of the date of issuance of the Bonds, between the Issuer and U.S. Bank National Association, as escrow agent the ("Escrow Agent"), relating to the refunding of the Refunded 2013 Bonds (the "Escrow Agreement"), and the Registrar and Paying Agent Agreement, dated as of the date of issuance of the Bonds, between the Issuer and U.S. Bank National Association (the "Paying Agent") relating to the Bonds (the "Paying Agent Agreement" and together with this Purchase Agreement, the Bonds, the Disclosure Agreement and the Escrow Agreement, the "Legal Documents") and to perform and consummate all obligations and transactions required or contemplated by each of the Legal Documents and the Official Statement.

(b) The Resolution approving and authorizing the execution and delivery by the Issuer of the Legal Documents was duly adopted at a meeting of the City Commission of the Issuer duly called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Resolution and the Bonds conform to the descriptions thereof contained in the Official Statement and the Bonds, when duly issued and authenticated in accordance with the Resolution and delivered to the Underwriters as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Resolution and payable from the sources therein specified.

(d) The Issuer duly and validly authorized all necessary actions to be taken by it for: (i) the issuance, sale, and delivery of the Bonds upon the terms set forth herein, (ii) the execution, delivery, and performance of the Legal Documents, including the Resolution which provides for, among other things, the issuance and delivery of and security for the Bonds, (iii) the carrying out, giving effect to, and consummation of the transactions contemplated hereby and by the Legal Documents, and (iv) the preparation of the Preliminary Official Statement and Official Statement and the consent to the distribution by the Underwriters of the Preliminary Official Statement and Official Statement.

(e) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Legal Documents. Each of the Legal Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. To the best knowledge of the Issuer, each of the Legal Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by the respective other signatories, and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(f) The issuer is authorized to issue the Bonds for the purposes described in the Resolution.

(g) Except as described in the Official Statement, the Issuer is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the Resolution, the issuance, delivery and sale of the Bonds and the execution and delivery of the Legal Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term "Material Judgment or Agreement" means any material judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Resolution and the Legal Documents).

(h) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Legal Documents have been obtained; *provided*, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(i) Any certificates executed by any officer of the Issuer and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made.

(j) Between the date hereof and the time of the Closing, the Issuer shall not, without the prior written consent of the Underwriters, offer or issue in any material amount any bonds, notes or other obligations for borrowed money that are secured by or payable from the Non-Ad Valorem Revenues, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Issuer or except for such borrowings as may be described in or contemplated by the Official Statement.

(k) The financial statements of the Issuer as of September 30, 2020 fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Representative, there has not been any materially adverse change in the financial condition of the Issuer or in its operations since September 30, 2020, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(l) Other than the hereinafter defined Excluded Sections, the information contained in the Preliminary Official Statement is, and such information in the Official Statement as of its date and the Closing Date will be (and as the same may be supplemented or amended, consistent with provisions hereof) true and correct in all material respects and does not and will not, as applicable, contain any untrue statement of a material fact or omit to state a material fact which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and (ii) notwithstanding the foregoing, the Issuer has not provided the information in and does not provide any assurance that the information contained in the sections or appendices, as the case may be, captioned "DESCRIPTION OF THE SERIES 2021 BONDS – Book-Entry Only System," and "UNDERWRITING" (but only with respect to the information contained therein provided by the Underwriters), (collectively, the "Excluded Sections") in the Preliminary Official Statement and the Official Statement is true and correct in all material respects; provided, however, that nothing has come to the attention of the Issuer which would cause it to reasonably believe that anything contained in the Excluded Sections contains any untrue statement of a material fact or omits to state a material fact which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(m) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the time of the Closing, the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(n) If between the date hereof and the time of Closing, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain

any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Representative thereof, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Issuer) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Representative.

(o) Except as described in the Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party of which the Issuer has notice or, to the knowledge of the Issuer, threatened against the Issuer, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Legal Documents, (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the validity or effect of the Resolution or the Act or any provision thereof or the application of the proceeds of the Bonds or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the System or the transactions contemplated by the Official Statement or any of the Legal Documents. The Issuer shall advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds.

(p) During the last five years, except as disclosed in the Official Statement, the Issuer has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

All representations, warranties and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by the Underwriters or on the Underwriters' behalf, and shall survive the delivery of the Bonds.

7. Closing. At [10:00 A.M.], E.D.T., on July [19], 2021, or at such other time or date as the Representative and the Issuer may mutually agree upon as the date and time of the Closing (the "Closing Date"), the Issuer will deliver or cause to be delivered to the Underwriters, at the offices of Issuer, or at such other place as the Representative and the Issuer may mutually agree upon, the Bonds in definitive form and duly executed and authenticated, in such authorized denominations and registered in such names as the Representative may request through the FAST system of registration with The Depository Trust Company ("DTC"), New York, New York, at a place to be agreed upon by the Issuer and the Representative, (b) the Issuer will deliver to the Representative the closing documents hereinafter mentioned, and (c) the Underwriters will accept such delivery and pay the Purchase Price as set forth in Section 1 hereof by wire transfer of Federal Funds to the order of the Issuer pursuant to the Issuer's written instruction or as directed by the Issuer. Such delivery and such acceptance and payment are herein sometimes called the "Closing." The Bonds shall be registered in the name of Cede & Co., as nominee of DTC and will be made available for inspection by the Underwriters in Miramar, Florida, not later than the business day prior to the Closing Date. Notwithstanding the foregoing, the Representative shall have the right

to delay the Closing and reschedule the Closing Date if, subsequent to the date hereof, and at any time prior to the Closing a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred. The Closing Date shall be rescheduled to a date mutually agreed upon by the Issuer and the Representative once the material disruption has been alleviated.

8. Conditions Precedent. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and agreements of the Issuer contained herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date.

(a) The Underwriters' obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(i) The representations of the Issuer contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(ii) At the time of the Closing, the Official Statement, the Resolution and the Legal Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative.

(iii) The Issuer shall perform or have performed all of its obligations required under or specified in the Resolution, the Legal Documents, and the Official Statement to be performed at or prior to the Closing.

(iv) The Issuer shall have delivered to the Underwriters final Official Statements by the time, and in the numbers, required by Section 5 of this Purchase Agreement.

(v) As of the date hereof and at the time of Closing, all necessary official action of the Issuer relating to the Legal Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(vi) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Issuer, the Act, the Resolution, the Legal Documents or the Issuer's right to levy and/or collect the funds and revenues constituting Non-Ad Valorem Revenues, as the foregoing matters are described in the Official Statement, which in the reasonable professional judgment of the Representative materially impairs the investment quality of the Bonds.

(vii) At or prior to the Closing, the Representative shall receive the following documents (in each case with only such changes as the Representative shall approve):

(1) The approving opinion of Nabors, Giblin & Nickerson, P.A., ("Bond Counsel") relating to the Bonds, dated the Closing Date, substantially in the form attached as Appendix D to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriters;

(2) The supplemental opinion of Bond Counsel, addressed to the Underwriters, dated the Closing Date, to the effect that:

- (A) The information contained under the captions "INTRODUCTION," "PLAN OF REFUNDING," "DESCRIPTION OF THE SERIES 2021 BONDS" (excluding the subheading "Book-Entry Only System") and "SECURITY AND SOURCES OF PAYMENT" (other than the financial, statistical and demographic information contained therein, as to all of which no opinion is expressed), insofar as such information purports to be summaries of certain provisions of the Resolution and the Bonds, constitute a fair summary of the information purported to be summarized therein. The statements in the Official Statement on the cover relating to such firm's opinion and contained under the caption "TAX MATTERS", are accurate statements or summaries of the matters set forth therein. It should be noted that such summaries do not purport to summarize all of the provisions of, and are qualified in their entirety by, the complete documents or provisions which are summarized; and
- (B) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "1933 Act") and the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

(3) An opinion letter, dated the Closing Date and addressed to the Underwriters, from Law Offices of Steve E. Bullock, P.A. ("Disclosure Counsel"), to the effect that based upon the information made available to them in the course of their participation in the preparation of the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Official Statement, and having made no independent investigation or verification thereof, nothing has come to their attention which would lead them to believe that the Official Statement as of its date and as of the Closing Date (excluding therefrom any information in the Official Statement relating to DTC, the operation of the book-entry system or any other financial or statistical data or projections or estimates or expressions of opinion included in the Official Statement and the appendices thereto, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(4) The opinion of Austin Pamies Norris Weeks Powell PLLC, as City Attorney, dated the date of the Closing and addressed to the Underwriters, to the effect that:

- (A) The Issuer is a duly existing municipal corporation of the State of Florida, and has all requisite power and authority under the Constitution and laws of the State: (a) to adopt the Resolution, and

to enter into, execute, deliver and perform its covenants and agreements under the Legal Documents; (b) to approve and authorize the use, execution and distribution of the Preliminary Official Statement and the Official Statement; (c) to issue, sell, execute and deliver the Bonds; (d) to levy and/or collect the funds and revenues constituting Non-Ad Valorem Revenues to pay the Bonds as contemplated by the Legal Documents; and (e) to carry on its activities as currently conducted;

- (B) The Issuer has taken all actions required to be taken by it before the Closing Date material to the transactions contemplated by the documents mentioned in paragraph (a) above (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Bonds by the Underwriters), and the Issuer has duly authorized the execution and delivery of, and the due performance of its obligations under, the Legal Documents;
- (C) The Resolution was duly adopted by the City Commission of the Issuer at a meeting of the governing body of the Issuer which was called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of the Resolution;
- (D) To the best of such counsel's knowledge after due inquiry, the adoption of the Resolution, the execution and delivery by the Issuer of the Legal Documents and the compliance with the provisions of the Legal Documents, do not and will not conflict with or violate in any material respect any Florida constitutional, statutory or regulatory provision, or conflict with or constitute on the part of the Issuer a material breach of or default under any agreement or instrument to which the Issuer is a party or by which it is bound;
- (E) The Legal Documents constitute legal, valid and binding obligations of the Issuer and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;
- (F) To the best of such counsel's knowledge after due inquiry, no litigation is pending or threatened against the Issuer in any court in any way affecting the titles of the officials of the Issuer to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the budget and appropriation of

Non-Ad Valorem Revenues to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Resolution or the Legal Documents, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Issuer or its authority with respect to the Resolution or the Legal Documents; and

- (G) Based on such counsel's participation in the preparation of the Official Statement, nothing has come to the attention of such counsel that would lead it to believe that the Official Statement as of its date or as of the Closing Date, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (excluding therefrom any legal matters related to state and federal tax laws, any information in the Official Statement relating to DTC, the operation of the book-entry system or any other financial or statistical data or projections or estimates or expressions of opinion included in the Official Statement and the appendices thereto or information in the section entitled "UNDERWRITING," as to which no opinion need be expressed);
- (H) To the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Issuer of the Legal Documents and the authorization and distribution of the Preliminary Official Statement and the Official Statement (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Bonds by the Underwriters); and
- (I) Except as described in the Official Statement, and to the best of such counsel's knowledge after due inquiry, the Issuer is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, resolution, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Legal Documents;

(5) The certificate of U.S. Bank National Association, in its capacity as Paying Agent and as Escrow Agent (the "Bank"), dated the date of the Closing, to the effect that:

- (A) The Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States, and has full power and authority and is qualified to enter into the Paying Agent Agreement and the Escrow Agreement, and to accept and administer the funds deposited under the Paying Agent Agreement and the Escrow Agreement, as applicable;
- (B) The Paying Agent Agreement and the Escrow Agreement have each been duly authorized, executed and delivered by the Bank, and each constitutes the legal, valid and binding obligation of the Bank enforceable against the Bank in accordance with its respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;
- (C) The execution, delivery and performance of the Paying Agent Agreement and the Escrow Agreement, respectively, will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Bank is bound;
- (D) All authorizations and approvals required by law and the articles of association and bylaws of the Bank in order for it to execute and deliver and perform its obligations under the Paying Agent Agreement and the Escrow Agreement, respectively, have been obtained; and
- (E) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence or powers (including trust powers) of the Bank, or the titles of its directors or officers to their respective offices, or the Bank's abilities to perform its duties and obligations under the Paying Agent Agreement or the Escrow Agreement, respectively;

(6) The opinion of Virtus LLP, as counsel to the Underwriters, dated the date of the Closing and addressed to the Underwriters, and covering such matters as the Underwriters may reasonably request;

(7) A certificate, dated the Closing Date, signed by the City Manager of the Issuer to the effect that: (a) the representations and agreements of the Issuer contained herein are true and correct in all material respects as of the date of the

Closing; (b) the Legal Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Official Statement, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Resolution or any Legal Document, (iii) in any way contesting the creation, existence or powers of the Issuer or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the System or the transactions contemplated by the Official Statement or any Legal Document; and (d) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of information in the Official Statement under the captions "DESCRIPTION OF THE SERIES 2021 BONDS – Book-Entry Only System" and "UNDERWRITING";

(8) A certificate, dated the Closing Date, signed by the City Manager or the Finance Director of the Issuer, in form and substance satisfactory to the Underwriters, to the effect that (i) the financial statements of the Issuer as of September 30, 2020 fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth and (ii) except as disclosed in the Official Statement, since September 30, 2020, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the System has not incurred since September 30, 2020, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement;

(9) Certified copy of the Resolution;

(10) Executed copies of the Escrow Agreement, the Disclosure Agreement, and the Paying Agent Agreement;

(11) Evidence satisfactory to the Representative of the assignment of long-term ratings assigned to the Bonds by Moody's Investors Service, Inc. ("Moody's"), and S&P Global Ratings ("S&P") of "___" by Moody's, and "___" by S&P, which ratings shall be in effect as of the Closing Date;

(12) A complete copy of the general purpose financial statements of the Issuer for the Fiscal Year ended September 30, 2020, a copy of which is provided in Appendix C to the Official Statement;

(13) the defeasance opinion of Bond Counsel;

(14) the verification report of The Arbitrage Group, with respect to the sufficiency of the escrow for the Refunded Bonds;

(15) A copy of the Blue Sky Survey with respect to the Bonds;

(16) A Rule 15c2-12 Certificate pursuant to which the Issuer "deems final" the Preliminary Official Statement as of the date thereof, except for permitted omissions, and consents to the Underwriters' use thereof and the information contained therein.

(17) A copy of the Issuer's executed DTC Blanket Issuer Letter of Representation; and

(18) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, counsel for the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and all conditions precedent to the issuance of additional Bonds pursuant to the Resolution shall have been fulfilled.

9. Termination. If the Issuer shall be unable to satisfy the conditions of the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Representative at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Representative to the Issuer in writing, or by telephone confirmed in writing. The performance by the Issuer of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriters may be waived by the Representative.

(a) The Underwriters shall also have the right, before the time of Closing, to cancel its obligations to purchase the Bonds, by written notice by the Representative to the Issuer, if between the date hereof and the time of Closing:

(i) Any event or circumstance occurs or information becomes known, which, in the professional judgment of the Representative, makes untrue any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(ii) The marketability or the market prices of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the professional judgment of the Representative, by:

(1) An amendment to the Constitution of the United States or the State of Florida shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having

jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of Florida or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of Florida authority, with respect to federal or State of Florida taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds which, in the judgment of the Representative, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by State of Florida legislation; or

(2) An outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war occurs; or (ii) the occurrence of any other calamity or crisis or any change in the financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (i) or (ii), in the judgment of the Underwriters, makes it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner contemplated in the Preliminary Official Statement; or

(3) The declaration of a general banking moratorium by federal, New York or Florida authorities; or

(4) The occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market; or

(5) Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the

SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(6) The general suspension of trading on any national securities exchange; or

(iii) Legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Bonds, other securities of the Issuer or obligations of the general character of the Bonds are not exempt from registration under the 1933 Act, or that the Resolution is not exempt from qualification under the Trust Indenture Act; or

(iv) Any change in or particularly affecting the Issuer, the Act, the Resolution, the Legal Documents or the Non-Ad Valorem Revenues as the foregoing matters are described in the Official Statement, which in the professional judgment of the Representative materially and adversely affects the market for the Bonds or the market prices of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(v) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(vi) A stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, or the execution and delivery of any Legal Documents, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 or the Trust Indenture Act, each as amended and as then in effect; or

(vii) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Resolution, the Legal Documents or the existence or powers of the Issuer with respect to its obligations under the Legal Documents; or

(viii) A reduction or withdrawal in any of the following assigned ratings, or, as of the Closing Date, the failure by any of the following rating agencies to assign the following

ratings, to the Bonds: Moody's and S&P have assigned their municipal bond ratings of "___" and "___", respectively, to the Bonds.

10. Amendments to Official Statement. During the period commencing on the Closing Date and ending twenty-five (25) days from the end of the underwriting period, the Issuer shall advise the Representative if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer" (as defined for purposes of Rule 15c2-12). If any such event occurs and in the reasonable judgment of the Representative and the Issuer, an amendment or supplement to the Official Statement is appropriate, the Issuer shall, at its expense, forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) that will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser or "potential customer," not misleading.

11. Expenses. All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including the costs of printing or reproduction of the Bonds, the Legal Documents and the Official Statement in reasonable quantities, fees of consultants, fees of rating agencies, advertising expenses, and fees and expenses of counsel to the Issuer, Disclosure Counsel and Bond Counsel, shall be paid by the Issuer from the proceeds of the Bonds or other revenues of the Issuer. The Issuer shall be solely responsible for and shall pay for any expenses incurred by the Underwriters on behalf of the Issuer's employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees and representatives. All expenses and costs of the Underwriters incurred under or pursuant to this Purchase Agreement, including, without limitation, the cost of preparing this Purchase Agreement and other Underwriters documents, travel expenses and the fees and expenses of counsel to the Underwriters, shall be paid by the Underwriters (which may be included as an expense component of the Underwriters' discount).

12. Representations of the Underwriters. The Representative, on behalf of itself and, based solely on representations of the other Underwriter, represents and warrants to the Issuer that:

(a) each of the Underwriters is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

(b) the Underwriters have the full power and authority to take all actions required or permitted to be taken by them hereunder, and to perform and observe the covenants and agreements on their part contained in this Purchase Agreement;

(c) this Purchase Agreement has been duly authorized, executed and delivered by the Representative on behalf of the Underwriters;

(d) each of the Underwriters represent that they are registered with the Financial Industry Regulatory Authority, Inc. ("FINRA") as a broker dealer and the MSRB as a municipal securities dealer, or are otherwise registered with the necessary regulatory authorities required for it to serve as an Underwriter with respect to the Bonds, and that at all times during the offering and sale of the Bonds, the Underwriters will continue to be so registered; and

(e) to the best of their knowledge, each of the Underwriters are in compliance with the rules and regulations of FINRA and the MSRB (to the extent it is regulated by FINRA and the MSRB) and any other body which regulates it which would adversely affect the transactions contemplated hereby or by the Official Statement or the validity and legality of this Purchase Agreement or the Official Statement.

13. Use of Documents. The Issuer hereby authorizes the Underwriters to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Legal Documents, and the information contained herein and therein.

14. Qualification of Securities. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and to provide for the continuance of such qualification; *provided, however*, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

15. Notices. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to the City Manager, City of Miramar, 2300 Civic Center Place, Miramar, Florida 33025, and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to Representative, Siebert Williams Shank & Co., LLC, Jonathan F. Kirn, Managing Director, 1025 Connecticut Ave NW, Suite 509, Washington, DC 20036.

16. Benefit. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriters (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 9.

17. Waiver. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the Issuer hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative, in its sole discretion, and the approval of each of the Underwriters when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing, signed by an authorized signatory of the Representative.

18. Entire Agreement; Miscellaneous. This Purchase Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Purchase Agreement may not be amended, supplemented or modified without the written consent of the Issuer and the Representative. None of the officers, directors, employees or agents of the Issuer shall be charged personally by the Underwriters with any liability, or be held liable to the Underwriters under any term or provision of this Purchase Agreement because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof. The validity, interpretation and performance of this Purchase Agreement shall be governed by the internal laws of the State, without regard to conflict of law principles.

19. Governing Law. THIS PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF FLORIDA.

20. Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

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**SIGNATURE PAGE TO
BOND PURCHASE AGREEMENT
CITY OF MIRAMAR, FLORIDA
TAXABLE SPECIAL OBLIGATION
REFUNDING REVENUE BONDS, SERIES 2021**

Very truly yours,

Siebert Williams Shank & Co., LLC,
as Representative on behalf of itself and the other
Underwriters

By: _____
Jonathan F. Kirn, Managing Director

[Representative's Signature Page to Bond Purchase Agreement]

**SIGNATURE PAGE TO
BOND PURCHASE AGREEMENT
CITY OF MIRAMAR, FLORIDA
TAXABLE SPECIAL OBLIGATION
REFUNDING REVENUE BONDS, SERIES 2021**

Accepted this [] day of June, 2021, by and on behalf of City of Miramar, Florida.

CITY OF MIRAMAR, FLORIDA

By: _____
Vernon E. Hargray, City Manager

ATTEST

By: _____
Denise A. Gibbs, City Clerk

Approved as to form and legal sufficiency for the use of
and reliance by the City of Miramar, Florida only:

By: _____
City Attorney

[Issuer's Signature Page to Bond Purchase Agreement]

SCHEDULE I

[\$ _____] Serial Bonds

Maturities, Principal Amounts, Interest Rates, Yields and Initial CUSIP Numbers

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Initial CUSIP Numbers</u>
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Redemption Provisions

[To Come]

EXHIBIT A

DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

June [], 2021

City of Miramar, Florida
2300 Civic Center Place
Miramar, Florida 33025

**Re: [\$] City of Miramar, Florida Taxable Special Obligation Refunding
Revenue Bonds, Series 2021 (the "Bonds")**

Ladies and Gentlemen:

In connection with the proposed issuance by the City of Miramar, Florida (the "Issuer") of the Bonds referred to above, Siebert Williams Shank & Co., LLC, on behalf of itself and as representative (the "Representative") of and Loop Capital Markets LLC (together with the Representative, the "Underwriters"), have agreed to underwrite a public offering of the Bonds subject to the terms and conditions set forth in that certain Bond Purchase Agreement dated of even date herewith between the Issuer and the Underwriters (the "Bond Purchase Agreement"). Terms used but not defined herein are defined in the Bond Purchase Agreement.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385, Florida Statutes, certain information in respect of the arrangement contemplated for the underwriting of the Bonds, as follows:

(a) The nature and estimated amounts of expenses to be incurred by the Underwriters in connection with the issuance of the Bonds are set forth in Schedule I attached hereto.

(b) There are no "finders," as defined in Section 218.386, Florida Statutes, as amended, connected with the issuance of the Bonds.

(c) The amount of underwriting spread, including the management fee, expected to be realized is as follows:

	<u>Per \$1,000</u>	<u>Dollar Amount</u>
Average Takedown		
Underwriters' Expenses		
Total Underwriting Spread*		

* Totals may not add due to rounding.

(d) No other fee, bonus or other compensation is estimated to be paid by the Underwriters in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriters, except as described in Schedule I attached hereto.

(e) The names and addresses of the Underwriters are:

Siebert Williams Shank & Co., LLC
1025 Connecticut Ave NW, Suite 509
Washington, DC 20036

Loop Capital Markets
201 South Biscayne Boulevard, 28th Floor
Miami, FL 33131

The Issuer is proposing to issue [\$_____] in aggregate principal amount of Bonds for the purpose of providing funds, together with other legally available moneys of the City, to (i) advance refund and defease a portion of the outstanding City of Miramar, Florida Special Obligation Refunding and Improvement Revenue Bonds, Series 2013, and (ii) pay certain costs of issuing the Bonds.

The Bonds are expected to be repaid over a period of approximately [___] years (from the Closing Date). At a true interest cost rate of approximately [_____] % total interest paid over the life of the Bonds will be [\$_____].

The Bonds are limited obligations, payable solely from amounts budgeted and appropriated by the City from Non-Ad Valorem. Assuming the true interest cost rate provided above, authorizing the Bonds will result in a maximum of [\$_____] of such Non-Ad Valorem Revenues not being available to finance the other services of the Issuer each year for approximately [___] years.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

We understand that you do not require any further disclosure from the Underwriters pursuant to Section 218.385, Florida Statutes, as amended.

Very truly yours,

Siebert Williams Shank & Co., LLC,
as Representative on behalf of itself and the other
Underwriters

By: _____
Jonathan F. Kirn, Managing Director

Dated: June [__], 2021

SCHEDULE I
UNDERWRITERS' EXPENSES

	<u>\$/1000</u>	<u>Amount</u>
i-Deal Bookrunning	\$	\$
i-Deal Wire Charges		
i-Deal Order Monitor		
CUSIP Charge & Disclosure Fee		
DTC Service Fees		
Miscellaneous		
Underwriters' Counsel		
Total	<u>\$</u>	<u>\$</u>

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (this “Disclosure Agreement”), dated as of July __, 2021, is executed and delivered by the City of Miramar, Florida (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product,” as defined in the Act, and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned to such terms in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements and accompanying information of the Issuer for the prior Fiscal Year, certified by an independent auditor, as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report,

Notice Event notice or Failure to File Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report, Notice Event notice or Failure to File Event notice required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the Finance Director of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices and the Voluntary Reports.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 7.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, not later than thirty (30) days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than two hundred forty (240) days after the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2021. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual

Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, without reference to the anticipated filing date for the Annual Report.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer may provide an electronic copy of its unaudited financial statements to the Disclosure Dissemination Agent and shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy of the Audited Financial Statements to the Disclosure Dissemination Agent, accompanied by a Certification, in each case for filing with the MSRB. Compliance with the provisions of this Section 2(d) shall constitute the Issuer's filing of the Annual Report until the Audited Financial Statements are filed.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each of the unaudited financial statements and each of the Audited Financial Statements received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"
2. "Non-Payment related defaults, if material;"
3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. "Substitution of credit or liquidity providers, or their failure to perform;"
6. "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax

status of the security, or other material events affecting the tax status of the security;”

7. “Modifications to rights of securities holders, if material;”
8. “Bond calls, if material, and tender offers;”
9. “Defeasances;”
10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
11. “Rating changes;”
12. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
13. “The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;”
14. “Appointment of a successor or additional trustee or the change of name of a trustee, if material;”
15. “Incurrence of a financial obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of an Obligated Person, any of which affect Bondholders, if material;” and
16. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of an Obligated Person, any of which reflect financial difficulties.”

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Report received under Section 7 with the MSRB; and

(vii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event, provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain the following Annual Financial Information with respect to the Issuer, including updates of the following information provided in the Official Statement, to the extent such information is not set forth in the Audited Financial Statements, for the prior Fiscal Year:

(i) the information in the Official Statement in the table under the caption “NON-AD VALOREM REVENUES - Non-Ad Valorem Revenue Collections” entitled “Non-Ad Valorem Revenues By Source;” in the Official Statement;

(ii) the information in the Official Statement in the following tables under the caption “NON-AD VALOREM REVENUES - Obligations Payable from Non-Ad Valorem Revenues” in the Official Statement:

1. the table entitled “Outstanding Non-Ad Valorem Revenues Debt;”
2. the table entitled “Debt Service for Outstanding Non-Ad Valorem Revenues Debt;” and
3. the table entitled “Outstanding Capitalized Lease Obligations;”

(iii) the information in the Official Statement in the table under the caption “NON-AD VALOREM REVENUES - Historical Debt Service Coverage” entitled “Historical Non-Ad Valorem Revenues, Debt Service and Coverage” in the Official Statement; and

(iv) the information in the Official Statement in the tables under the caption “PENSION PLANS - Defined Benefit Plans” and “- Other Post Employment Benefits” in the Official Statement showing employee membership, pension liability, and outflow and inflow of resources.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) will be included in the Annual Report, but may be provided in accordance with Section 2(d).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an Obligated Person, which have been previously filed with the Securities and Exchange Commission or available to the public on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;

9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes on the Bonds;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note: for the purposes of the event identified in this subsection 4(a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of an Obligated Person, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of an Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not in excess of ten (10) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) of this Section 4 and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the

categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two (2) business days of receipt of such notice (but in any event not later than the tenth (10th) business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to Section 4(c), together with a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, Failure to File Events and Voluntary Reports filed pursuant to Section 7(a), the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with the MSRB from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a “Voluntary Report”).

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Voluntary Report, Notice Event notice or Failure to File Event notice, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Voluntary Report, Notice Event notice, or Failure to File Event notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Voluntary Report, Notice Event notice or Failure to File Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty (30) days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC’s services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty (30) days’ prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders’ rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties’ obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, including the Resolution, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof, but taking into account any subsequent change in or official interpretation of the Rule; provided, however, that neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule, as announced by the Securities and Exchange Commission from time to time, by giving not less than twenty (20) days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within ten (10) days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Sources of Payments; No Personal Liability. Notwithstanding anything to the contrary contained in this Disclosure Agreement, the Issuer shall be required to use only Non-Ad Valorem Revenues to pay any costs and expenses to be incurred in the performance of this Disclosure Agreement by it, and the performance of its obligations hereunder shall be subject to the availability of sufficient Non-Ad Valorem Revenues for that purpose. This Disclosure Agreement does not and shall not constitute a general obligation of the Issuer. No covenant, stipulation, obligation or agreement of the Issuer contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Issuer in other than that person's official capacity.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name:
Title:

CITY OF MIRAMAR, FLORIDA,
as Issuer

By: _____
VERNON E. HARGRAY, City Manager

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: City of Miramar, Florida
Obligated Person: City of Miramar, Florida
Name of Bond Issue: Taxable Special Obligation Refunding Revenue Bonds, Series 2021
Date of Issuance: July __, 2021
Date of Official Statement: _____, 2021

CUSIP Numbers:

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Miramar, Florida
Obligated Person: City of Miramar, Florida
Name of Bond Issue: Taxable Special Obligation Refunding Revenue Bonds, Series 2021
Date of Issuance: July __, 2021

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds, as required by the Disclosure Dissemination Agent Agreement, dated as of _____, 2021, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent,
on behalf of the Issuer

By: _____
Name:
Title:

cc: City of Miramar, Florida

PRELIMINARY OFFICIAL STATEMENT DATED JUNE __, 2021**NEW ISSUE - Book-Entry Only**

Ratings: Moody's: "____"
 S&P: "____"
 (See "RATINGS" herein)

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Series 2021 Bonds is not excludable from gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and certain other tax considerations.



\$ _____ *

CITY OF MIRAMAR, FLORIDA
Taxable Special Obligation Refunding Revenue Bonds
Series 2021

Dated: Date of Delivery**Due: October 1, as shown on inside cover page**

The City of Miramar, Florida Taxable Special Obligation Refunding Revenue Bonds, Series 2021 (the "Series 2021 Bonds") are being issued by the City of Miramar, Florida (the "City") pursuant to the Act (as defined herein) and Resolution No. 21-__ adopted by the City Commission of the City on June 16, 2021 (the "Resolution") as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2021 Bonds is payable semiannually on each April 1 and October 1, commencing October 1, 2021, and will be paid by check or draft of U.S. Bank National Association, Fort Lauderdale, Florida, as Paying Agent (the "Paying Agent"), mailed to the Holder of the Series 2021 Bond in whose name such Series 2021 Bond shall be registered on the registration books of the City maintained by U.S. Bank National Association, Fort Lauderdale, Florida, as Registrar, as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the applicable interest payment date; provided, however, at the request of any Holder, interest payments may be made by bank wire transfer to the account designated by such Holder. Principal of the Series 2021 Bonds is payable to the Holder thereof upon presentation and surrender, when due, at the designated office of the Paying Agent.

Upon initial issuance, the Series 2021 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and a clearinghouse for securities transactions. DTC will act as securities depository for the Series 2021 Bonds and purchasers will not receive certificates representing their ownership interests in the Series 2021 Bonds purchased. While the Series 2021 Bonds are registered through the DTC book-entry only system, payments of the principal of and interest on the Series 2021 Bonds will be mailed or wired or otherwise provided directly to DTC. Such payments shall be remitted to DTC Participants, which in turn shall remit such payments to the Beneficial Owners (as such terms are defined herein). See "DESCRIPTION OF THE SERIES 2021 BONDS - Book-Entry Only System" herein.

The Series 2021 Bonds are being issued for the purpose of providing funds, together with other legally available moneys of the City, to (i) advance refund and defease a portion of the outstanding City of Miramar, Florida Special Obligation Refunding and Improvement Revenue Bonds, Series 2013 (the "Series 2013 Bonds"), originally issued in the aggregate principal amount of \$59,815,000 and, prior to issuance of the Series 2021 Bonds, outstanding in the aggregate principal amount of \$51,780,000; and (ii)

pay certain costs of issuing the Series 2021 Bonds. See “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The Series 2021 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See “DESCRIPTION OF THE SERIES 2021 BONDS - Redemption” herein.

Pursuant to the Resolution, the City has covenanted and agreed, subject to certain restrictions and limitations, to appropriate in its annual budget, by amendment, if necessary, from certain legally available non-ad valorem revenues of the City, amounts sufficient to pay the principal of and interest on the Series 2021 Bonds when due in the manner and to the extent provided in the Resolution. **No deposit to a reserve fund or reserve account shall be made in connection with the issuance of the Series 2021 Bonds and the Resolution does not establish a reserve fund or reserve account requirement.** See “SECURITY AND SOURCES OF PAYMENT” herein.

Among the restrictions and limitations provided in the Resolution, the availability of certain non-ad valorem revenues of the City to pay principal of and interest on the Series 2021 Bonds (and the Series 2013 Bonds remaining Outstanding after issuance of the Series 2021 Bonds) effectively may be limited by the City’s obligation to adopt a balanced budget, funding requirements for essential governmental services of the City and other limitations on the collection, appropriation or use of such revenues. See “SECURITY AND SOURCES OF PAYMENT” herein.

THE SERIES 2021 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AS “BONDS” WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM AMOUNTS BUDGETED AND APPROPRIATED BY THE CITY FROM NON-AD VALOREM REVENUES, AS DEFINED IN AND IN ACCORDANCE WITH THE TERMS OF THE RESOLUTION. NO HOLDER OF ANY SERIES 2021 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2021 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2021 BOND FROM ANY MONEYS OF THE CITY EXCEPT FROM NON-AD VALOREM REVENUES, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION.

In addition to the Series 2021 Bonds and the Series 2013 Bonds remaining outstanding after issuance of the Series 2021 Bonds, the City has other indebtedness outstanding for the payment of which the City has previously covenanted to budget and appropriate legally available non-ad valorem revenues. See “NON-AD VALOREM REVENUES - Obligations Payable From Non-Ad Valorem Revenues” herein. The City also may enter into future obligations which are secured by or otherwise required to be paid from all or any portion of the Non-Ad Valorem Revenues; provided, however, that such future obligations satisfy the anti-dilution provisions set forth in the Resolution. See “SECURITY AND SOURCES OF PAYMENT - Anti-Dilution Test” herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.

The Series 2021 Bonds are offered, when, as and if issued by the City, subject to the approval of their legality by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by Austin Pamies Norris Weeks Powell PLLC, Fort Lauderdale, Florida, City Attorney and certain legal matters relating to disclosure will be passed upon for the City by the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, Disclosure Counsel. Virtus LLP, Windermere, Florida, is serving as counsel to the Underwriters. PFM Financial

Advisors LLC, Orlando, Florida, is acting as Financial Advisor to the City. It is expected that settlement on the Series 2021 Bonds will occur through the facilities of DTC in New York, New York on or about July ___, 2021.

Siebert Williams Shank & Co., LLC

Loop Capital Markets

DAC Bond[®]

Dated: _____, 2021

* Preliminary, subject to change.

Red herring: This Preliminary Official Statement and the information contained herein are subject to amendment and completion without notice. The Series 2021 Bonds may not be sold and offers to buy may not be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
PRICES, YIELDS AND INITIAL CUSIP NUMBERS*†**

\$ _____ Series 2021 Serial Bonds

<u>Due (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial CUSIP Number</u>
2021	\$	%		%	604633 _____
2022					604633 _____
2023					604633 _____
2024					604633 _____
2025					604633 _____
2026					604633 _____
2027					604633 _____
2028					604633 _____
2029					604633 _____
2030					604633 _____
2031					604633 _____
2032					604633 _____
2033					604633 _____
2034					604633 _____
2035					604633 _____
2036					604633 _____
2037					604633 _____
2038					604633 _____

\$ _____ % Series 2021 Term Bonds Due October 1, 20____ – Price: ____ / Yield: ____ %
Initial CUSIP Number: 604633 _____

* Preliminary, subject to change.

† Neither the City nor the Underwriters is responsible for the use of CUSIP Numbers, nor is a representation made as to their correctness. The CUSIP Numbers are included solely for the convenience of the readers of this Official Statement.

CITY OF MIRAMAR, FLORIDA

2300 Civic Center Place
Miramar, Florida 33025
(954) 602-3000

MEMBERS OF THE CITY COMMISSION

Wayne M. Messam, Mayor
Yvette Colbourne, Vice Mayor
Winston F. Barnes, Commissioner
Maxwell B. Chambers, Commissioner
Alexandra P. Davis, Commissioner

ADMINISTRATION

Vernon E. Hargray, City Manager
Whittingham Gordon, Deputy City Manager
Kelvin L. Baker, Assistant City Manager
Shaun Gayle, Assistant City Manager
Susan A. Gooding-Liburd, Chief Financial Officer
Denise A. Gibbs, City Clerk

CITY ATTORNEY

Austin Pamies Norris Weeks Powell PLLC
Fort Lauderdale, Florida

BOND COUNSEL

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

DISCLOSURE COUNSEL

Law Offices of Steve E. Bullock, P.A.
Miramar, Florida

FINANCIAL ADVISOR

PFM Financial Advisors LLC
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to make any representations, other than those contained in this Official Statement, in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2021 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been obtained from public documents, records and other sources considered to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct. Any statement in this Official Statement involving estimates, assumptions and opinions, whether or not so expressly stated, are intended as such and are not to be construed as representations of fact, and the Underwriters and the City expressly make no representation that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement, nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. *The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.*

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Official Statement. The offering of the Series 2021 Bonds is made only by means of this entire Official Statement.

References to website addresses presented in this Official Statement are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "project," "forecast," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

THE SERIES 2021 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE EXEMPTION OF THE SERIES 2021 BONDS FROM REGISTRATION OR QUALIFICATION IN CERTAIN STATES CANNOT BE REGARDED AS

A RECOMMENDATION THEREOF. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR RECOMMENDED THE SERIES 2021 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2021 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITERS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM (“ORIGINAL BOUND FORMAT”) OR IN ELECTRONIC FORMAT ON THE WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2021 BONDS.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15C2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN FINANCIAL INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

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OFFICIAL STATEMENT
relating to

\$ _____*
CITY OF MIRAMAR, FLORIDA
Taxable Special Obligation Refunding Revenue Bonds
Series 2021

INTRODUCTION

The purpose of this Official Statement, including the cover page and all appendices, is to furnish certain information relating to the City of Miramar, Florida (the “City”), the sale by the City of its \$ _____* in aggregate principal amount of Taxable Special Obligation Refunding Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) and the Non-Ad Valorem Revenues (as hereinafter defined) which shall serve as the source of payment for the Series 2021 Bonds. The Series 2021 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 166, Florida Statutes, as amended, the Charter of the City and other applicable provisions of law (collectively, the “Act”) and Resolution No. 21-____ adopted by the City Commission of the City (the “City Commission”) on June 16, 2021 (the “Resolution”). For a description of certain terms and conditions of the Series 2021 Bonds and the complete provisions of the Resolution, see “APPENDIX C - The Resolution.”

The Series 2013 Bonds (as hereinafter defined) remaining outstanding after issuance of the Series 2021 Bonds shall be referred to as the “Unrefunded Series 2013 Bonds.” Certain other capitalized terms used but not defined in this Official Statement shall have the meaning ascribed to such terms in the Resolution.

The Series 2021 Bonds are being issued for the purpose of providing funds, together with other legally available moneys of the City, to (i) advance refund and defease a portion of the outstanding City of Miramar, Florida Special Obligation Refunding and Improvement Revenue Bonds, Series 2013 (the “Series 2013 Bonds”), originally issued in the aggregate principal amount of \$59,815,000 and, prior to issuance of the Series 2021 Bonds, outstanding in the aggregate principal amount of \$51,780,000; and (ii) pay certain costs of issuing the Series 2021 Bonds. Upon issuance of the Series 2021 Bonds, an aggregate principal amount of the Series 2013 Bonds equal to \$47,770,000* shall be advance refunded, constituting all of the outstanding Series 2013 Bonds issued as Serial Bonds maturing on October 1 in the years 2023 through 2038, inclusive, and all of the outstanding Series 2013 Bonds issued as a Term Bond maturing on October 1, 2033 (collectively, the “Refunded Bonds”). See “PLAN OF REFUNDING” herein.

The Series 2021 Bonds will be issued in book-entry only form and purchasers of the Series 2021 Bonds will not receive certificates representing their interest in the Series 2021 Bonds purchased. The Series 2021 Bonds will contain such other terms and provisions, including provisions regarding redemption, as described in “DESCRIPTION OF THE SERIES 2021 BONDS” herein. The City has covenanted to provide certain continuing disclosure information pursuant to Rule 15c2-12 of the Securities and Exchange Commission relating to the Series 2021 Bonds. See “CONTINUING DISCLOSURE” herein.

* Preliminary, subject to change.

Pursuant to the Resolution, the City has covenanted and agreed, subject to certain restrictions and limitations, to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, amounts sufficient to pay the principal of and interest on the Series 2021 Bonds when due, in the manner and to the extent provided in the Resolution. **No deposit to a reserve fund or reserve account shall be made in connection with the issuance of the Series 2021 Bonds and the Resolution does not establish a reserve fund or reserve account requirement.** See “SECURITY AND SOURCES OF PAYMENT” herein.

Among the restrictions and limitations provided in the Resolution, the availability of Non-Ad Valorem Revenues to pay principal of and interest on the Series 2021 Bonds (and the Unrefunded Series 2013 Bonds) effectively may be limited by the City’s obligation to adopt a balanced budget, funding requirements for essential governmental services of the City and other limitations on the collection, appropriation or use of such revenues. See “SECURITY AND SOURCES OF PAYMENT” herein.

In addition to the Series 2021 Bonds and the Unrefunded Series 2013 Bonds, the City has other indebtedness outstanding for the payment of which the City has previously covenanted to budget and appropriate legally available non-ad valorem revenues. See “NON-AD VALOREM REVENUES - Obligations Payable From Non-Ad Valorem Revenues” herein. The City also may enter into future obligations which are secured by or otherwise required to be paid from all or any portion of the Non-Ad Valorem Revenues; provided, however, that such future obligations satisfy the anti-dilution provisions set forth in the Resolution. See “SECURITY AND SOURCES OF PAYMENT - Anti-Dilution Test” herein.

This introduction is intended to serve as a brief description of this Official Statement and is expressly qualified by reference to this Official Statement as a whole. A full review should be made of this entire Official Statement, including the cover page and all appendices, as well as the documents and reports summarized or described herein. The description of the Series 2021 Bonds, the documents authorizing and securing the same, including, without limitation, the Resolution, and the information from various reports contained herein are not comprehensive or definitive. All references herein to such documents and reports are qualified by the entire, actual content of such documents and reports. Copies of such documents and reports may be obtained from the City by contacting either the City’s Department of Finance, 2300 Civic Center Place, Miramar, Florida 33025, telephone number: (954) 602-3050, email address: emailfinance@ci.miramar.fl.us, or the City’s Financial Advisor, PFM Financial Advisors LLC, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone number: (407) 406-5760, email address: gloverj@pfm.com.

PLAN OF REFUNDING

A portion of the proceeds of the Series 2021 Bonds, together with other legally available moneys of the City, will be used to provide for the advance refunding and defeasance of the Refunded Bonds. The City will call the Refunded Bonds for redemption on October 1, 2022 at a redemption price equal to one hundred percent (100%) of the principal amount of the Refunded Bonds, without premium.

To effect the advance refunding and defeasance of the Refunded Bonds, the City will enter into an Escrow Deposit Agreement (the “Escrow Deposit Agreement”) on or prior to the delivery of the Series 2021 Bonds with U.S. Bank National Association, Fort Lauderdale, Florida (the “Escrow Agent”). Pursuant to the terms of the Escrow Deposit Agreement, on the date of issuance of the Series 2021 Bonds, the City will deposit a portion of the proceeds of the Series 2021 Bonds, together with other legally available moneys of the City, into an escrow deposit trust fund to be maintained by the Escrow Agent (the “Escrow Deposit Trust Fund”). A portion of such proceeds and other legally available moneys of the City will be applied on the date of delivery of the Series 2021 Bonds to the purchase of certain United States

Treasury obligations (the “Escrow Securities”) maturing at such times and in such amounts so that the maturing principal, together with the interest income thereon and any cash held uninvested in the Escrow Deposit Trust Fund, will be sufficient to pay the principal of and interest due on the Refunded Bonds to and including October 1, 2022, on which date the Refunded Bonds will be redeemed.

Subsequent to the deposit of moneys into the Escrow Deposit Trust Fund and the investment of such moneys as described in the preceding paragraph, the Refunded Bonds, in the opinion of Bond Counsel, rendered in reliance upon schedules verified as to accuracy by The Arbitrage Group, Inc., Houston, Texas (the “Verification Agent”), will no longer be outstanding under the provisions of the resolution pursuant to which the Series 2013 Bonds were issued. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.

The maturing principal of and interest on the Escrow Securities and any cash held uninvested in the Escrow Deposit Trust Fund will not be available to pay principal of and interest on the Series 2021 Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2021 Bonds:

Sources of Funds

Par Amount of Series 2021 Bonds	\$
Net Original Issue Discount / Premium	
Other Legally Available Moneys ⁽¹⁾	_____
Total Estimated Sources of Funds	\$ <u> </u>

Uses of Funds

Deposit to Escrow Deposit Trust Fund ⁽²⁾	\$
Costs of Issuance ⁽³⁾	
Underwriters’ Discount	_____
Total Estimated Uses of Funds	\$ <u> </u>

-
- (1) Constitutes amount held by the City to pay principal of and interest due on the Refunded Bonds.
(2) See PLAN OF REFUNDING” herein.
(3) Includes fees of Bond Counsel, Disclosure Counsel, the Financial Advisor, the rating agencies, and miscellaneous costs of issuance.

DESCRIPTION OF THE SERIES 2021 BONDS

General

The Series 2021 Bonds shall be dated the date of their delivery and shall bear interest at the rates and mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2021 Bonds is payable semiannually on October 1 and April 1 of each year, commencing October 1, 2021. Interest shall be paid by check or draft of U.S. Bank National Association, Fort Lauderdale, Florida, serving as the initial paying agent for the Series 2021 Bonds (the “Paying

Agent”), mailed to the Holder of the Series 2021 Bond in whose name such Series 2021 Bond shall be registered on the registration books of the City maintained by U.S. Bank National Association, Fort Lauderdale, Florida, serving as the initial bond registrar for the Series 2021 Bonds (the “Registrar”), as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the applicable interest payment date (the “Record Date”); provided, however, at the request of any Holder of Series 2021 Bonds, interest payments may be made by bank wire transfer to the account designated by such Holder. Interest on the Series 2021 Bonds shall be calculated on the basis of a 360 day year consisting of twelve 30-day months. Principal of the Series 2021 Bonds is payable to the Holder thereof upon presentation and surrender, when due, at the designated office of the Paying Agent.

The Series 2021 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the Series 2021 Bonds will be made in book-entry only form, without certificates. Unless a securities depository other than DTC is selected by the City, so long as the Series 2021 Bonds shall be in book-entry only form, the principal of and interest on the Series 2021 Bonds will be payable to Cede & Co., as registered owner thereof, and will be distributed by DTC and the DTC Participants to the Beneficial Owners (as such terms are defined herein). See “DESCRIPTION OF THE SERIES 2021 BONDS - Book-Entry Only System” herein.

Redemption

Optional Redemption

The Series 2021 Bonds maturing on or before October 1, 20__ are not subject to optional redemption prior to maturity. The Series 2021 Bonds maturing on or after October 1, 20__ are subject to redemption at the option of the City prior to their respective dates of maturity on or after October 1, 20__, in whole or in part at any time, in such order of maturities as may be determined by the City (less than all of a single maturity to be selected by lot), at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2021 Bonds or portion of the Series 2021 Bonds to be redeemed, together with accrued interest from the most recent interest payment date as of which interest has been paid to the date fixed for redemption.

[Make-Whole Optional Redemption]

General. The Series 2021 Bonds are subject to redemption prior to their maturity dates at the option of the City, in whole or in part, on any date prior to October 1, 20__, and if in part, in accordance with the procedures described in this section below under “Partial Make-Whole Optional Redemption,” at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the Series 2021 Bonds to be redeemed; or
- (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2021 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2021 Bonds are to be redeemed, discounted to the date on which the Series 2021 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below), plus _____ (____) basis points,

plus, in each case, accrued and unpaid interest on the Series 2021 Bonds to be redeemed to the redemption date.

“Treasury Rate” shall mean, as of any redemption date for a particular Series 2021 Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two (2) business days, but not more than forty-five (45) calendar days, prior to the redemption date (excluding inflation indexed securities) or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the Series 2021 Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Notwithstanding the foregoing, prior to the optional redemption of the Series 2021 Bonds at par on or after October 1, 20____, pursuant to the provisions of the Resolution, the City may elect to legally defease all or a portion of the Series 2021 Bonds until their optional redemption on October 1, 20____. Such legal defeasance of all or a portion of the Series 2021 Bonds shall not constitute a “make-whole optional redemption.” The provisions set forth above relating to a make-whole optional redemption shall apply only in the event the City elects to redeem the Series 2021 Bonds on any date prior to October 1, 20____, but not if the City elects only to legally defease all or any portion of the Series 2021 Bonds prior to October 1, 20____.

Partial Make-Whole Optional Redemption. If less than all of the Series 2021 Bonds are to be redeemed pursuant to a “make-whole optional redemption,” the Registrar, upon written instructions from the City, shall select the Series 2021 Bonds for redemption from such maturity dates and in such amounts as are selected by the City, and, so long as the Series 2021 Bonds are held in book-entry only form by DTC, shall select such Series 2021 Bonds within such selected maturities on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures; provided, however, that so long as such Series 2021 Bonds are held in book-entry only form by DTC, the selection for redemption of such Series 2021 Bonds shall be made in accordance with the operational arrangements of DTC then in effect and, if the DTC operational arrangements do not allow for redemption on a “Pro Rata Pass-Through Distribution of Principal” basis, such Series 2021 Bonds shall be selected for redemption within each such maturity in such manner as the Registrar shall determine and in accordance with DTC procedures. In any event, the portion of the Series 2021 Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple in excess thereof.

With regard to the foregoing, it is the City’s intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the City and the Beneficial Owners be made pro rata. However, the City can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions of Series 2021 Bonds on a pro rata basis.]

Mandatory Sinking Fund Redemption

The Series 2021 Bonds maturing on October 1, 20____ are subject to mandatory sinking fund redemption in part prior to maturity by lot through the application of Amortization Installments, at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, on October 1 of each year in the following amounts and years specified:

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

Due

Amortization
Installment
\$

*

* Final Maturity.

Selection of Bonds to be Redeemed

The Series 2021 Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The City shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount of Series 2021 Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Series 2021 Bonds or portions of Series 2021 Bonds to be redeemed shall be selected not more than forty-five (45) days prior to the redemption date by the Registrar from the Outstanding Series 2021 Bonds of the maturity or maturities designated by the City by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2021 Bonds or portions of Series 2021 Bonds in principal amounts of \$5,000 and integral multiples thereof. Notwithstanding the foregoing, in the event that less than the entire principal amount of a Term Bond is to be optionally redeemed, the City shall determine how the principal amount of such refunded Term Bond is to be allocated to the Amortization Installments for the Term Bond and shall notify the Paying Agent and Registrar of such allocation.

If less than all of the Outstanding Series 2021 Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the City and the Paying Agent (if the Registrar is not the Paying Agent for such Series 2021 Bonds) in writing of the Series 2021 Bonds or portions of Series 2021 Bonds selected for redemption and, in the case of any Series 2021 Bond selected for partial redemption, the principal amount thereof to be redeemed.

Notice of Redemption

Notice of redemption, which shall specify the Series 2021 Bond or Series 2021 Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the City, and (A) shall be filed with the Paying Agent of such Series 2021 Bonds (if the Registrar is not the Paying Agent for such Series 2021 Bonds), (B) shall be mailed first class, postage prepaid, not less than thirty (30) days prior to the redemption date to all Holders of Series 2021 Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice, and (C) shall be mailed, certified mail, postage prepaid, at least thirty (30) days prior to the redemption date to the registered securities depositories and two (2) or more nationally recognized municipal bond information services, as provided in the Resolution. Failure to mail such notice to such depositories or services or the Holders of the Series 2021 Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of the Series 2021 Bonds as to which no such failure or defect has occurred. Failure of any Holder to receive any notice mailed as herein provided shall not affect the proceedings for redemption of such Holder's Series 2021 Bonds.

Each notice of redemption shall state: (1) the CUSIP numbers and any other distinguishing number or letter of all Series 2021 Bonds being redeemed, (2) the original issue date of such Series 2021 Bonds, (3) the maturity date and rate of interest borne by each Series 2021 Bond being redeemed, (4) the redemption date, (5) the amount of principal to be redeemed, (6) the date on which such notice is mailed,

(7) if less than all Outstanding Series 2021 Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Series 2021 Bond, the principal amount) of each Series 2021 Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Series 2021 Bond to be redeemed the principal amount thereof, or the specified portions of the principal thereof in the case of Series 2021 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Series 2021 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the amount of principal to be redeemed at the designated office of the Registrar at an address specified, (10) the name and telephone number of a person designated by the Registrar to be responsible for such redemption, (11) unless sufficient funds have been set aside by the City for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption, and (12) any other conditions that must be satisfied prior to such redemption.

As long as a book-entry system is used for determining beneficial ownership of Series 2021 Bonds, notice of redemption will be sent to DTC. DTC will be responsible for notifying the DTC Participants, which will in turn be responsible for notifying the Beneficial Owners (as such terms are defined herein). Any failure of DTC to notify any DTC Participant, or of any DTC Participant to notify the Beneficial Owner of any such notice, will not affect the validity of the redemption of the Series 2021 Bonds. See “DESCRIPTION OF THE SERIES 2021 BONDS - Book-Entry Only System” herein.

The City may provide that a redemption will be contingent upon the occurrence of certain conditions and that if such conditions do not occur the notice of redemption will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Series 2021 Bondholders as soon as practicable but in no event later than three (3) business days following knowledge by the City and/or the Registrar that the condition for redemption has not or will not occur.

Effect of Redemption

Notice of redemption having been given substantially as aforesaid, the Series 2021 Bonds or portions of Series 2021 Bonds to be redeemed shall, on the redemption date, become due and payable at the principal amount therein specified, and from and after such date (unless the City shall default in the payment of the applicable principal amount) such Series 2021 Bonds or portions of Series 2021 Bonds shall cease to bear interest. Upon surrender of such Series 2021 Bonds for redemption in accordance with said notice, such Series 2021 Bonds shall be paid by the Registrar and/or Paying Agent at the applicable principal amount, plus accrued interest.

Any Series 2021 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the City shall execute and the Registrar shall authenticate and deliver to the Holder of such Series 2021 Bond, without service charge, a new Series 2021 Bond or Series 2021 Bonds, of any authorized denomination, as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2021 Bonds so surrendered.

Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC’S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY BELIEVES TO BE RELIABLE, BUT THE CITY AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION.

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., as DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond certificate will be issued for each maturity of the Series 2021 Bonds, each in the aggregate principal amount of such maturity, as set forth on the inside cover page of this Official Statement, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over one hundred (100) countries that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "DTC Participants"). DTC has a S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, rating of AA+. The DTC rules applicable to the DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the DTC Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, will not effect any change in beneficial ownership of the Series 2021 Bonds. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The DTC Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by DTC Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, defaults and proposed amendments to the documents securing the Series 2021 Bonds. For example, Beneficial Owners of the Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices are provided directly to them.

Redemption notices shall be sent by the Registrar to DTC. If less than all of the Series 2021 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2021 Bonds will be made to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of DTC Participants.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City only to DTC.

DTC may discontinue providing its services as securities depository with respect to the Series 2021 Bonds. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates representing the Series 2021 Bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates representing the Series 2021 Bonds will be printed and delivered. See "DESCRIPTION OF THE SERIES 2021 BONDS - Discontinuance of Securities Depository" herein.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE REGISTERED OWNER OF THE SERIES 2021 BONDS, THE CITY AND THE PAYING AGENT SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE SERIES 2021 BONDS FOR ALL PURPOSES UNDER THE

RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE SERIES 2021 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE CITY AND THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE RESOLUTION. THE CITY AND THE PAYING AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2021 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO., AS THE REGISTERED OWNER OF THE SERIES 2021 BONDS.

Discontinuance of Securities Depository

DTC may determine to discontinue its services as securities depository for the Series 2021 Bonds at any time by giving written notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In addition, the City, in its sole discretion and without the consent of any other person, may terminate the services of DTC or any successor securities depository for the Series 2021 Bonds, as described below. Upon delivery by DTC to the City of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of the Resolution with respect to transfers during the fifteen (15) days next preceding an Interest Date or mailing of notice of redemption, the words "Cede & Co." shall refer to such new nominee of DTC; and upon receipt of such notice, the City shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the City of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Series 2021 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the Beneficial Owners or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the City that such book-entry only system is burdensome or undesirable to the City and compliance by the City of all applicable policies and procedures of DTC regarding discontinuance of the book entry registration system, the Series 2021 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions of the Resolution. In such event, the City shall issue, and the Registrar shall authenticate, transfer and exchange the Series 2021 Bonds of like principal amount and maturity, in denominations of \$5,000 or any integral multiple thereof, to the Holders thereof.

Interchangeability, Negotiability and Transfer

So long as the Series 2021 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to transfer and exchange of Series 2021 Bonds do not apply to the Series 2021 Bonds to the extent of a conflict with the DTC book-entry system.

The Series 2021 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate

principal amount of registered Series 2021 Bonds of the same maturity of any other authorized denominations. The Series 2021 Bonds shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2021 Bonds. So long as any of the Series 2021 Bonds shall remain Outstanding, the City shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Series 2021 Bonds.

Each Series 2021 Bond shall be transferable only upon the books of the City, at the office of the Registrar, under such reasonable regulations as the City may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the transfer of any such Series 2021 Bond, the City shall issue, and cause to be authenticated, in the name of the transferee a new Series 2021 Bond or Series 2021 Bonds of the same aggregate principal amount and maturity as the surrendered Series 2021 Bond. The City, the Registrar and any Paying Agent or fiduciary of the City may deem and treat the Person in whose name any Outstanding Series 2021 Bond shall be registered upon the books of the City as the absolute owner of such Series 2021 Bond, whether such Series 2021 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Series 2021 Bond and for all other purposes, and all such payments so made to any such Holder or upon his or her order shall be valid and effectual to satisfy and discharge the liability upon such Series 2021 Bond to the extent of the sum or sums so paid and neither the City nor the Registrar nor any Paying Agent or other fiduciary of the City shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series 2021 Bonds, forthwith (A) following the fifteenth (15th) day prior to an Interest Date for the Series 2021 Bonds; (B) following the fifteenth (15th) day next preceding the date of first mailing of notice of redemption of any Series 2021 Bonds; and (C) at any other time as reasonably requested by the Paying Agent of such Series 2021 Bonds, shall certify and furnish to such Paying Agent the names, addresses and holdings of Series 2021 Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Series 2021 Bond shall effect payment of interest on such Series 2021 Bonds by mailing a check to the Holder entitled thereto or may, in lieu thereof, upon the request and expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Series 2021 Bonds or transferring Series 2021 Bonds is exercised, the City shall execute and deliver Series 2021 Bonds and the Registrar shall authenticate such Series 2021 Bonds in accordance with the provisions of the Resolution. Execution of Series 2021 Bonds by the City Manager and City Clerk for purposes of exchanging, replacing or transferring Series 2021 Bonds may occur at the time of the original delivery of the Series 2021 Bonds. All Series 2021 Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the City to be cancelled by the Registrar. For every such exchange or transfer, the City or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The City and the Registrar shall not be obligated to make any such exchange or transfer during the fifteen (15) days next preceding an Interest Date or, in the case of any proposed redemption of Series 2021 Bonds, then, for the Series 2021 Bonds subject to redemption, during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

Mutilated, Destroyed, Stolen or Lost Series 2021 Bonds

So long as the Series 2021 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to mutilated, destroyed, stolen or lost Series 2021 Bonds do not apply to the Series 2021 Bonds to the extent of a conflict with the DTC book-entry system.

In case any Series 2021 Bond shall become mutilated, or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Series 2021 Bond of like tenor as the Series 2021 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2021 Bond, upon surrender and cancellation of such mutilated Series 2021 Bond or in lieu of and substitution for the Series 2021 Bond destroyed, stolen or lost, and upon the Holder (A) furnishing the City and the Registrar (i) proof of his or her ownership thereof, and (ii) satisfactory indemnity, (B) complying with such other reasonable regulations and conditions as the City or the Registrar may prescribe and (C) paying such expenses as the City and the Registrar may incur. All Series 2021 Bonds so surrendered shall be cancelled by the Registrar. If any of the Series 2021 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2021 Bond, the City may pay the same or cause the Series 2021 Bond to be paid, upon being indemnified as aforesaid, and if such Series 2021 Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2021 Bonds shall constitute original, additional contractual obligations on the part of the City whether or not the lost, stolen or destroyed Series 2021 Bond be at any time found by anyone, and such duplicate Series 2021 Bond shall be entitled to equal and proportionate benefits and rights to the same extent as all other Series 2021 Bonds issued under the Resolution.

SECURITY AND SOURCES OF PAYMENT

General

The City has covenanted and agreed in the Resolution to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues amounts sufficient to pay principal of and interest on the Series 2021 Bonds when due. The covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing, such covenant and agreement does not obligate the City to maintain any services or programs now provided or maintained by the City which generate Non-Ad Valorem Revenues.

The City's covenant and agreement to budget and appropriate does not create any lien upon or pledge of Non-Ad Valorem Revenues, nor does it (A) preclude the City from pledging Non-Ad Valorem Revenues in the future, (B) require the City to levy and collect any particular Non-Ad Valorem Revenues, or (C) give the Bondholders a prior claim on Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. The covenant and agreement to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of any Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). The covenant and agreement to budget and appropriate shall have the effect of making available for the payment of the Series 2021 Bonds, in the manner described in the Resolution, Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Resolution; subject, however, in all respects to the restrictions of Section 166.241(2), Florida Statutes, as amended, which generally provide that the governing body of each municipality may only make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject further

to the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of the inhabitants of the City or which are legally mandated by applicable law.

“Non-Ad Valorem Revenues” shall mean all General Fund Revenues, other than revenues generated from ad valorem taxation on real or personal property, and all Impact Fee Proceeds, but only to the extent they are legally available to make the payments required in the Resolution. “General Fund Revenues” shall mean total revenues of the City derived from any source whatsoever and that are allocated to and accounted for in the General Fund as shown in the Annual Audit. “General Fund” shall mean the “General Fund” of the City, as described and identified in the Annual Audit. “Impact Fee Proceeds” shall mean the proceeds of all impact fees levied by the City that are allocated to and accounted for in the Police Capital Improvement Fund, the Fire and EMS Capital Improvement Fund and the Park Development Fund, each as described and identified in the Annual Audit.

The City has covenanted in the Resolution that it shall immediately, after the close of each Fiscal Year, cause the books, records and accounts relating to the City to be properly audited by a recognized independent firm of certified public accountants. The City shall require such accountants to complete their report of such Annual Audit in accordance with applicable law and in conformity with generally accepted accounting principles as applied to governmental entities.

The City has covenanted and agreed in the Resolution to transfer to the Paying Agent for the Series 2021 Bonds, solely from funds budgeted and appropriated in accordance with the provisions of the Resolution, on or before the date designated for payment of any principal of or interest on the Series 2021 Bonds, sufficient moneys to pay such principal or interest. The Registrar and Paying Agent shall utilize such moneys for payment of the principal of and interest on the Series 2021 Bonds when due.

No Reserve Account

No deposit to a reserve fund or reserve account shall be made to provide additional security for payment of the principal of and interest on the Series 2021 Bonds and the Resolution does not establish a reserve fund or reserve account requirement.

Anti-Dilution Test

During such time as any Series 2021 Bonds are Outstanding, the City has covenanted and agreed with the Series 2021 Bondholders that upon the issuance of any subsequent Debt (A) Non-Ad Valorem Revenues shall cover projected Maximum Annual Debt Service on the Series 2021 Bonds and maximum annual debt service on Debt by at least 1.5x; and (B) projected Maximum Annual Debt Service on the Series 2021 Bonds and maximum annual debt service for all Debt will not exceed twenty percent (20%) of the aggregate of General Fund Revenues and Impact Fee Proceeds exclusive of (i) ad valorem tax revenues restricted to payment of debt service on any Debt and (ii) any proceeds of the Series 2021 Bonds or Debt. The calculations required by clauses (A) and (B) above shall be determined using the average of actual Non-Ad Valorem Revenues, General Fund Revenues and Impact Fee Proceeds for the prior two (2) Fiscal Years, based on the City’s Annual Audits. For purposes of the calculations required by clauses (A) and (B) above, Maximum Annual Debt Service on the Series 2021 Bonds and maximum annual debt service on Debt shall be computed on an aggregate basis whereby the annual debt service for each is combined and the overall maximum is determined.

For the purposes of the covenants contained in the preceding paragraph, maximum annual debt service on Debt means, with respect to Debt that bears interest at a fixed interest rate, the actual maximum annual debt service, and, with respect to Debt which bears interest at a variable interest rate, maximum annual debt service on such Debt shall be determined assuming that interest accrues on such Debt at the

current “Bond Buyer Revenue Bond Index” as published in *The Bond Buyer* no more than two (2) weeks prior to any such calculation; provided, however, if any Debt, whether bearing interest at a fixed or variable interest rate, constitutes Balloon Indebtedness, as defined in the immediately following sentence, maximum annual debt service on such Debt shall be determined assuming such Debt is amortized over twenty (20) years on an approximately level debt service basis. For purposes of the foregoing sentence, “Balloon Indebtedness” means Debt, twenty-five percent (25%) or more of the original principal of which matures during any one Fiscal Year. In addition, with respect to debt service on any Debt which is subject to a Qualified Hedge Agreement, interest on such Debt during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time. With respect to debt service on any Debt for which the City elects to receive or is otherwise entitled to receive direct subsidy payments from the United States Department of Treasury, when determining the interest on such Debt for any particular interest payment date the amount of the corresponding subsidy payment shall be deducted from the amount of interest which is due and payable with respect to such Debt on the interest payment date, but only to the extent that the City reasonably believes that it will be in receipt of such subsidy payment on or prior to such interest payment date. Maximum annual debt service on Debt shall be determined on a Bond Year basis.

Issuance of Other Obligations

In connection with the acquisition and improvement by the City of various projects, the City previously has issued bonds, notes and entered into other obligations to finance the costs of such acquisition and improvement. Such bonds, notes and other obligations are payable from the City’s legally available non-ad valorem revenues generally or are secured by a pledge of and lien on specific sources of non-ad valorem revenues of the City. The City may enter into future obligations which are required to be paid from Non-Ad Valorem Revenues generally or are secured by a lien on one or more specific source of the Non-Ad Valorem Revenues. See “NON-AD VALOREM REVENUES - Sources of Non-Ad Valorem Revenues” herein. The City is contemplating the issuance during Fiscal Year 2021 or Fiscal Year 2022 of approximately \$12.5 million in capital improvement revenue and refunding notes, approximately \$6.0 million of which is anticipated to be used to finance various capital improvement projects within the City and approximately \$6.5 million of which is anticipated to be used to refund the outstanding Series 2017 Note (hereinafter defined). See “NON-AD VALOREM REVENUES - Obligations Payable From Non-Ad Valorem Revenues” herein. Such obligations are expected to be payable from legally available non-ad valorem revenues of the City.

Limited Liability

The Series 2021 Bonds shall not be or constitute general obligations or indebtedness of the City as “bonds” within the meaning of any constitutional or statutory provision, but shall be special obligations of the City, payable solely from amounts budgeted and appropriated by the City from Non-Ad Valorem Revenues in accordance with the Resolution. No Holder of any Series 2021 Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Series 2021 Bond, or be entitled to payment of such Series 2021 Bond from any moneys of the City except from the Non-Ad Valorem Revenues in the manner and to the extent provided in the Resolution.

NON-AD VALOREM REVENUES

General

The General Fund constitutes the City’s major governmental fund. The General Fund is the City’s primary fund for the payment of operating expenditures, such as expenses related to (i) public safety through police services, fire rescue and code enforcement, and (ii) cultural and quality of life benefits, like

parks and other recreational facilities. Included in the General Fund are the ad valorem revenues the City collects from the taxation of real and personal property and revenues collected as non-ad valorem revenues based on charges and fees for the exercise of certain privileges or the conduct of certain activities within the City. The City also collects revenues based on charges for various services it provides, such as water and sewer, sanitation, cemetery, stormwater, parking, and executive airport services. Revenues collected for such services are held in various enterprise funds of the City. Amounts held in the City's enterprise funds are used for the benefit of the category of service the enterprise fund represents and are not included among the revenues held in the General Fund or specifically used for the City's general operating expenditures. In addition, impact fees collected by the City generally are deposited in separate funds segregated for specific purposes.

The City is permitted by the Florida Constitution to levy ad valorem taxes at a rate of up to \$10 per \$1,000 of assessed valuation for general governmental expenditures. The City's General Fund ad valorem tax millage rate for the fiscal year ending September 30, 2021 is \$7.1172 per \$1,000. The City is also permitted by the Florida Constitution to levy ad valorem taxes above the \$10 per \$1,000 limitation to pay debt service on general obligation long-term debt if approved by a voter referendum. However, the City does not currently have any outstanding general obligation long-term debt.

The General Fund is the largest operating fund of the City. It is used to account for substantially all citywide activities and is supported principally by ad valorem taxes. See "THE CITY - General Fund" herein. Ad valorem tax revenues received by the City may not be pledged for the payment of debt obligations of the City maturing more than twelve (12) months from the date of issuance thereof without approval of the electorate of the City. ***The ad valorem tax revenues of the City are not pledged as security for the payment of the Series 2021 Bonds and the City is not authorized to budget and appropriate ad valorem tax revenues for the payment of the Series 2021 Bonds.***

Non-Ad Valorem Revenues comprise a broad category of revenues, including, but not limited to, revenues received from the State, investment income and income produced from certain services and facilities of the City. Non-Ad Valorem Revenues may be pledged, subject to certain limitations described herein, for the payment of debt obligations of the City. As more fully described under "SECURITY AND SOURCES OF PAYMENT" herein, the City has covenanted and agreed in the Resolution, subject to certain restrictions and limitations, to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues amounts sufficient to pay principal of and interest on the Series 2021 Bonds when due, in the manner and to the extent described therein. ***However, the Holders of the Series 2021 Bonds do not have a lien on any specific Non-Ad Valorem Revenues. In addition, the City has outstanding other debt obligations that are payable from a lien upon and pledge of certain of the Non-Ad Valorem Revenues and the City may in the future specifically pledge Non-Ad Valorem Revenues or provide a lien on any specific source or sources of Non-Ad Valorem Revenues to secure additional debt issued by the City. The City's covenant and agreement to appropriate Non-Ad Valorem Revenues to pay the Series 2021 Bonds is subject to the payment of any such debt obligations that are secured by a pledge of, or a lien on any portion of, the Non-Ad Valorem Revenues. The City also has obligations currently outstanding that are payable from a covenant of the City to budget and appropriate sufficient legally available non-ad valorem revenues of the City and may issue such obligations in the future.*** See "SECURITY AND SOURCES OF PAYMENT - Issuance of Other Obligations" and "NON-AD VALOREM REVENUES - Obligations Payable From Non-Ad Valorem Revenues" herein. Furthermore, the obligation of the City to budget and appropriate Non-Ad Valorem Revenues is subject to a variety of factors, including without limitation, the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of the inhabitants of the City or which are mandated by applicable law, and the obligation of the City to have a balanced budget. See "SECURITY AND SOURCES OF PAYMENT" herein.

The receipt by the City of certain Non-Ad Valorem Revenue, including but not limited to, half-cent sales tax revenues and/or certain other revenue sharing sources, has been negatively impacted by the effects of the COVID-19 pandemic due to travel restrictions, shelter in place orders and community spread. Such factors have resulted in, and for a period of time will likely continue to result in, decreased tourism, travel and consumer spending, as more particularly described under “INVESTMENT CONSIDERATIONS - COVID-19” herein.

The Florida Department of Financial Services has developed, as part of the Uniform Accounting System Manual’s Chart of Accounts, six (6) major categories of local government revenues: taxes, intergovernmental revenues, licenses, permits and impact fees, charges for services, fines and forfeitures and miscellaneous revenues. Using that organization, the following describes the major sources of the Non-Ad Valorem Revenues collected by the City.

Sources of Non-Ad Valorem Revenues

Set forth below is a description of each of the categories of non-ad valorem revenues collected or received by the City.

Public Service Tax Revenues

Sections 166.231 - 166.235, Florida Statutes, as amended (the “Public Service Tax Law”) authorizes any municipality within the State to levy a public service tax on the purchase of electricity, metered natural gas, liquefied petroleum gas (either metered or bottled), manufactured gas (either metered or bottled) and water services, as well as any service competitive with the services specifically enumerated. The Communications Services Tax Simplification Law, as amended, being Chapter 202, Florida Statutes, as amended (the “Communications Services Tax Law”), effective October 1, 2001, replaced the authority previously provided local governments under Chapter 166, Florida Statutes, as amended, to levy a public service tax on the purchase of telecommunications services. Except for certain exceptions for water services, as provided in Section 166.231, Florida Statutes, as amended, public service taxes shall be levied only upon purchases within the City and shall not exceed ten percent (10%) of the payments received by the seller of the taxable item from the purchaser for the purchase of such service; provided, however, that fuel oil shall be taxed at a rate which shall not exceed four cents (\$0.04) per gallon.

City Levy and Exemptions. The City levies its public service tax pursuant to Ordinance No. 90-18 enacted by the City Commission on January 15, 1990 (the “Public Service Tax Ordinance”), and codified in the City Code under Chapter 19, Article III, Section 19-41 *et seq.* The Public Service Tax Ordinance authorized the imposition and levy by the City of a public service tax on each and every purchase of (i) fuel oil and kerosene used for the purpose of lighting, heating, cooking, power or any other purpose, (ii) electricity and (iii) metered or bottled gas (natural, liquefied petroleum gas or manufactured) within the corporate limits of the City, at the rate of ten percent (10%), with the restriction that the tax on fuel oil cannot exceed four cents (\$0.04) per gallon.

Section 166.231, Florida Statutes, as amended, allows a municipality to exempt from the public service tax the first 500 kilowatts of electricity per month purchased for residential use and to exempt all or a portion of the purchase of electricity, metered natural gas, liquefied petroleum gas, either metered or bottled, or manufactured gas, either metered or bottled, or reduce the rate of taxation thereon, when purchased by an industrial consumer which uses the electricity or gas directly in industrial manufacturing, processing, compounding or a production process of items of personal property for sale. The City does not currently grant such exemptions. However, in addition to the exclusion of public service taxes on the purchase of telecommunications services provided in the Communications Services Tax Law, the City excludes from the taxes imposed by the Public Service Tax Ordinance:

(i) the United States of America, State of Florida, and political subdivisions and agencies thereof;

(ii) purchases by any recognized church in the State for use exclusively for church purposes, an agency or instrumentality of the United States, the State, Broward County, Florida (the “County”) or the City; provided, however, that such exemptions shall be specifically approved by the Finance Director of the City on a tax exemption certificate which shall be initiated and completed by the purchaser and, upon approval by the Finance Director of the City, shall be provided to the seller indicating authorization of the exemption;

(iii) any fuel adjustment charge, which charge shall be separately stated on each bill; the term “fuel adjustment charge” means all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973; and

(iv) access charges (i.e., any customer access line charges paid to a local telephone company, public telephone charges collected on site and charges for any foreign exchange service or any private line service, except when such services are used or sold as a substitute for any telephone company switched service or dedicated facility by which a telephone company provides a communication path.

Collections. Public service taxes must be collected by the seller from purchasers at the time of sale and remitted to the Finance Director of the City. Thus, for example, the tax will appear on the periodic bills rendered to consumers by Florida Power & Light Company for electricity and by the City for water service. A failure by a consumer to pay the portion of the bill attributable to the public service tax will result in a suspension of such consumer’s utility service in the same fashion as the failure to pay that portion of the bill attributable to the particular utility service.

The amount of public service tax revenue received by the City is subject to increase or decrease (i) as the price of taxable services fluctuates, with a sustained increase in the price thereof potentially having an adverse impact on the amount of tax collected, and (ii) in the event of legislative changes. The amount of the public service tax collected within the City also may be adversely affected by changes in population within the City, as such changes could decrease the number of purchasers of electricity, water, metered natural gas, bottled natural gas and fuel oil within the City.

The City currently has outstanding bonds that are secured in part by a specific pledge of and lien on the City’s public service tax revenues for payment of debt service on such bonds. See “NON-AD VALOREM REVENUES - Obligations Payable From Non-Ad Valorem Revenues” herein.

Communications Services Tax Revenues

The Communications Services Tax Law authorizes counties and municipalities in the State to levy a local tax on all communications services, as such term is defined in Section 202.11, Florida Statutes, as amended. The Communications Services Tax Law repealed Section 166.231 (9), Florida Statutes, which had previously granted municipalities the authority to levy a public service tax on the purchase of telecommunication services. The Communications Services Tax Law, however, contains provisions that are designed to ensure that the revenues collected by a municipality under its provisions are similar in amount to the revenues collected by such municipality under the provisions which provided for the levy of public service taxes on the purchase of telecommunications services.

Under the Communications Services Tax Law, “communications services” means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of protocol used for such transmission or conveyance. The term does not include:

- (a) Information services;
- (b) Installation or maintenance of wiring or equipment on a customer's premises;
- (c) The sale or rental of tangible personal property;
- (d) The sale of advertising, including, but not limited to, directory advertising;
- (e) Bad check charges;
- (f) Late payment charges;
- (g) Billing and collection services; or
- (h) Internet access service, electronic mail service, electronic bulletin board service, or similar on-line services.

City Levy and Exemptions. For charter counties and municipalities, communications services taxes may not exceed 5.10% of the payments received by the providers of such communications services from purchasers. The maximum rate, however, does not include permitted add-ons of up to 0.12%, nor do they supersede conversion or emergency rates authorized by Section 202.20, Florida Statutes, as amended, which are in excess of the maximum rate. The City levies its communications services taxes at the rate of 5.22%, representing the maximum rate allowed in the Communications Services Tax Law, with the 0.12% ad-on. Section 202.125, Florida Statutes, as amended, exempts from the levy of communications services taxes:

- (i) all purchases by the federal government and its agencies and instrumentalities, or any entity that is exempt from state taxes under federal law;
- (ii) the State and any county, municipality or political subdivision of the State when payment is made directly to the dealer by the governmental entity; and
- (iii) any home for the aged, religious or educational organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code.

Collections. The communications services tax must be collected by the provider from purchasers and remitted to the State of Florida Department of Revenue (the “FDOR”). The proceeds of the communications services tax, less FDOR’s costs of administration of up to one percent (1.0%) of the total revenues generated, are transferred to the Local Communications Services Tax Clearing Trust Fund held by FDOR and distributed to the City on a monthly basis. The providers of communications services also may deduct up to 0.75% as a collection fee (or 0.25% in the case of providers who do not employ an enhanced zip code database or a database that is either supplied or certified by the FDOR). The FDOR distributes to the appropriate local governments the amount of revenue collected pursuant to the Communications Services Tax Law which each local government is entitled to receive.

The Communications Services Tax Law provides that, to the extent that a provider of communications services is required to pay to a local taxing jurisdiction a tax, charge, or other fee under any franchise agreement or ordinance with respect to the services or revenues that are also subject to the local communications services tax, the provider is entitled to a credit against the amount of such local communications services tax payable to the State in the amount of such tax, charge, or fee with respect to such service or revenues. The amount of such credit is deducted from the amount that the local taxing jurisdiction is entitled to receive under Section 202.18(3), Florida Statutes.

Under the Communications Services Tax Law, local governments must work with the FDOR to properly identify service addresses within each municipality and county. If a jurisdiction fails to provide the FDOR with accurate service address information, the local government risks losing tax proceeds that it should properly receive. The City believes it has provided the FDOR with all information that the FDOR has requested as of the date hereof and that such information is accurate.

The amount of communications services tax revenue received by the City is subject to increase or decrease (i) in response to increases or decreases in the dollar volume of taxable sales within the City, (ii) in the event of legislative changes, and (iii) technological advances which could affect consumer preferences.

The City currently has outstanding bonds that are secured in part by a specific pledge of and lien on the City's communications services tax revenues for payment of debt service on such bonds. See "NON-AD VALOREM REVENUES - Obligations Payable From Non-Ad Valorem Revenues" herein.

Intergovernmental Revenues

All revenues received by a unit of local government from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes are included in the intergovernmental revenues category. The category is further classified into seven (7) subcategories: federal grants, federal payments in lieu of taxes ("PILOT"), state grants, state shared revenues, state PILOT, local grants and local shared revenues. If a particular grant is funded from separate intergovernmental sources, then the revenue is recorded proportionately. The largest component in the Intergovernmental Revenues source of Non-Ad Valorem Revenues is the "Local Government Half-Cent Sales Tax."

Local Government Half-Cent Sales Tax. Chapter 212, Florida Statutes (the "Sales Tax Act"), authorizes the levy and collection by the State of sales tax upon, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exceptions and dealer allowances. In 1982, the Florida Legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program") which distributes a portion of the sales tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet strict eligibility requirements. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Half-Cent Sales Tax Program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized.

The Half-Cent Sales Tax is collected on behalf of the State by businesses at the time of sale at retail, use, consumption, or storage for use or consumption, of taxable property and remitted to the State on a monthly basis. The Sales Tax Act provides for penalties and fines, including criminal prosecution, for non-compliance with the provisions thereof.

Section 212.20, Florida Statutes, provides for the distribution of sales tax revenues collected by the State and further provides for the distribution of a portion of sales tax revenues to the Local Government Half-Cent Sales Tax Clearing Trust Fund (the "Half-Cent Sales Tax Trust Fund"), after providing for transfers to the State's General Revenue Fund. The entire sales tax remitted to the State by each sales tax dealer located within a particular county is deposited in the Half-Cent Sales Tax Trust Fund and earmarked for distribution to the governing body of such county and each participating municipality within that county pursuant to a distribution formula.

The percentage of Half-Cent Sales Tax revenues deposited in the Half-Cent Sales Tax Trust Fund is 8.814%. The general rate of sales tax in the State is currently 6.00%. After taking into account the distributions to the State's General Revenue Fund (historically 5% of taxes collected), for every dollar of taxable sales price of an item, approximately 0.529 cents is deposited into the Half-Cent Sales Tax Trust Fund.

As of October 1, 2001, pursuant to Chapter 202, Florida Statutes, the Half-Cent Sales Tax Trust Fund began receiving a portion of the revenues collected under the Communication Services Tax Law. Accordingly, moneys distributed from the Half-Cent Sales Tax Trust Fund now consist of funds derived from both general sales tax proceeds and revenues collected under the Communication Services Tax Law that are required to be deposited into the Half-Cent Sales Tax Trust Fund.

The Half-Cent Sales Tax revenues are distributed from the Half-Cent Sales Tax Trust Fund on a monthly basis to participating units of local government in accordance with the Sales Tax Act. The Sales Tax Act permits the City to pledge its share of the Half-Cent Sales Tax for the payment of principal of and interest on any capital project.

Eligibility. To be eligible to participate in the Half-Cent Sales Tax Program, each municipality and county is required to have:

(i) reported its finances for its most recently completed fiscal year to the Florida Department of Financial Services, as required by State law;

(ii) made provisions for annual post audits of financial accounts in accordance with provisions of law;

(iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the revenue equivalent to a millage rate of three (3) mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such three (3) mill ad valorem tax, to have received a remittance from the county pursuant to a municipal services benefit unit, collected an occupational license tax or utility tax, levied an ad valorem tax, or have received revenue from any combination of those four (4) sources;

(iv) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation;

(v) certified that persons in its employ as firefighters meet certain employment qualifications and are eligible for certain compensation;

(vi) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual post audit of its financial accounts in accordance with law; and

(vii) certified to the FDOR that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of the county or municipality as required by law.

Although the Sales Tax Act does not impose any limitation on the number of years during which a county or municipality may receive distributions of the Half-Cent Sales Tax revenues from the Half Cent Sales Tax Trust Fund, there may be amendments to the Sales Tax Act in subsequent years imposing additional requirements of eligibility for counties and municipalities participating in the Half-Cent

Sales Tax revenues, or the distribution formulas in Sections 212.20(6)(d) or 218.62, Florida Statutes, may be revised. To be eligible to participate in the Half-Cent Sales Tax Trust Fund in future years, the City must comply with the financial reporting and other requirements of the Sales Tax Act. Otherwise, the City would lose its Half-Cent Sales Tax Trust Fund distributions for twelve (12) months following a “determination of noncompliance” by FDOR. The City has always maintained eligibility to receive the Half-Cent Sales Tax revenues.

Distribution. Half-Cent Sales Tax revenues collected within a county and deposited in the Half-Cent Sales Tax Trust Fund are distributed among such county and the eligible municipalities therein in accordance with the following formula:

$$\begin{array}{rcl}
 \text{County's share} & & \text{unincorporated} \\
 \text{(expressed as a} & & \text{county} \\
 \text{percentage of total} & = & \text{population} \\
 \text{Half-Cent Sales Tax} & & \text{total} \\
 \text{revenues)} & & \text{county} \\
 & & \text{population} \\
 & & + \\
 & & \text{2/3 of the} \\
 & & \text{incorporated} \\
 & & \text{county population} \\
 & & \text{2/3 of the} \\
 & & \text{incorporated} \\
 & & \text{county population}
 \end{array}$$

$$\begin{array}{rcl}
 \text{Each municipality's} & & \text{municipality population} \\
 \text{share (expressed as} & = & \text{total} \\
 \text{a percentage of} & & \text{county} \\
 \text{total Half-Cent Sales} & & \text{population} \\
 \text{Tax revenues)} & & + \\
 & & \text{2/3 of the} \\
 & & \text{incorporated} \\
 & & \text{county population}
 \end{array}$$

The amount of Half-Cent Sales Tax revenues distributed to the City is subject to increase or decrease due to (i) more or less favorable economic conditions, (ii) increases or decreases in the dollar volume of taxable sales within the City, (iii) legislative changes relating to the Half-Cent Sales Tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Half-Cent Sales Tax Trust Fund and (iv) other factors which may be beyond the control of the City or the Series 2021 Bondholders, including but not limited to the increasing use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of Half-Cent Sales Tax collected by the State and then distributed to the City. Also, see “NON-AD VALOREM REVENUES - Non-Ad Valorem Revenue Collections” herein for a discussion relating to the impact of COVID-19 on Half-Cent Sales Tax revenue collections.

The City currently has outstanding bonds that are secured in part by a specific pledge of and lien on the Half-Cent Sales Tax revenues for payment of debt service on such bonds. See “NON-AD VALOREM REVENUES - Obligations Payable From Non-Ad Valorem Revenues” herein.

State Revenue Sharing

Eligibility. A portion of the taxes levied and collected by the State is shared with local governments under provisions of Chapter 218.215, Florida Statutes. To be eligible for State Revenue Sharing funds, a local government must have met the same requirements for eligibility as for the Half-Cent Sales Tax Program described in the immediately preceding subheading “- Local Government Half-Cent Sales Tax.” Eligibility is retained if the local government has met eligibility requirements for the previous three (3) years, even if the local government reduces its millage or utility taxes because of the receipt of Half-Cent Sales Tax revenues.

Each eligible municipality is entitled to receive a minimum amount of State Revenue Sharing Funds, known as the “guaranteed entitlement,” as defined in Section 218.21(6), Florida Statutes,

which is correlated to amounts received by such municipality from certain taxes on cigarettes, roads and motor fuels in the State fiscal year 1971-1972. A municipality is also eligible to receive distributions under Section 212.20(6)(d)5, Florida Statutes, and Section 218.245(3), Florida Statutes.

To be eligible to participate in State Revenue Sharing in future years, the City must comply with certain eligibility and reporting requirements. If the City fails to comply with such requirements, the FDOR may utilize the best information available to it, or if no such information is available, take any necessary action, including disqualification, either partial or entire, and the City shall be deemed, as a result of such noncompliance, to have waived any right to challenge the determination of the FDOR as to its distribution, if any.

Distribution. The amount of the State Revenue Sharing Trust Fund for Municipalities distributed to any one municipality is the average of three (3) factors: (i) an adjusted population factor; (ii) a sales tax collection factor, which is the proportion of the local municipality's ordinary sales tax collected within the municipality to the total sales tax collected within all eligible municipalities in the State; and (iii) a relative revenue-raising ability factor, which measures the municipality's ability to raise revenue relative to other qualifying municipalities in the State.

Funds derived from the municipal fuel tax on motor fuel may be used only for the purchase of transportation facilities and road and street rights-of-way; construction, reconstruction, and maintenance of roads, streets, bicycle paths, and pedestrian pathways; adjustment of city-owned utilities as required by road and street construction; and construction, reconstruction, transportation-related public safety activities, maintenance, and operation of transportation facilities. According to the FDOR, municipalities may assume that 22.1% of their estimated 2020-21 fiscal year distribution is derived from the municipal fuel tax. Therefore, at least that proportion of each municipality's revenue sharing distribution must be expended for the transportation-related purposes described above.

Municipalities can assign, pledge, or set aside as a trust for the payment of principal or interest on bonds or any other form of indebtedness an amount up to fifty percent (50%) of the State Revenue Sharing Funds received by it in the prior State fiscal year.

Licenses, Permits and Impact Fees

Revenues from licenses and permits constitute amounts received by the City for fees derived from the issuance of local professional, occupational, and other licenses or permits issued by the City. Impact fees are also included in this category of Non-Ad Valorem Revenues. The City Commission established separate trust funds for impact fees collected for water and sewer facilities, police and fire facilities, and parks and recreation facilities (collectively, the "Impact Fees"). Each of the trust funds created for the Impact Fees is maintained separate and apart from each of the other trust funds and from all other funds of the City. The funds deposited into each of the Impact Fees trust funds are to be used solely for the purpose of providing growth necessitated improvements and additions to the specific public facility for which such Impact Fees were received.

Impact Fees are charged on new construction. The use of Impact Fees is limited under Florida law to (i) payment for expansion facilities or (ii) paying debt service on obligations issued to acquire or construct or refinance expansion facilities to the extent the debt service is attributable to expansion facilities. The use of Impact Fees is further limited to facility expansions related to the purpose of the Impact Fee itself. Under Florida law, investment earnings with respect to Impact Fees are subject to the same restrictions on use as the Impact Fees themselves. Revenues from Impact Fees fluctuate with the amount of new construction or development that occurs within the City. As a result, no assurance can be

provided that such revenue will not decrease or be eliminated altogether in the event that new construction, for whatever reason, decreases or ceases within the City.

Portions of the projects for which the Refunded Bonds were issued to finance or refinance consisted of growth related improvements and additions for which Impact Fees legally could be used to pay the cost of such projects. Specifically, a portion of the Impact Fees deposited into (i) the Park Development Fund for growth related improvements in the City's park system, (ii) the Police Capital Improvement Fund for growth related to the City's police department, and (iii) the Fire and EMS Capital Improvement Fund for growth related to the City's fire department and emergency medical services ("EMS") facilities are included in Non-Ad Valorem Revenues. Such portion of the Non-Ad Valorem Revenues may be used to pay debt service on the Series 2021 Bonds that is allocable to refinancing the cost of growth related park system, police, fire and EMS improvements originally financed or refinanced with proceeds of the Refunded Bonds.

Charges for Services

Revenues resulting from a local governmental unit's charges for services include those charges received from private individuals or entities or other governmental units. The following functional areas include such charges:

- (i) General government;
- (ii) Public safety;
- (iii) Physical environment;
- (iv) Community services; and
- (v) Social services.

Franchise Fees

Franchise fees constitute revenues received by the City pursuant to franchise agreements that the City has entered into with private entities to provide certain services within the City. Such services may include electric, gas, water, telephone, cable television, towing and rolloff container services. Section 337.401, Florida Statutes, also authorizes the City to grant public rights-of-way for the placing and maintaining along, across or on any road or publicly owned rail corridors within the jurisdiction of the City, electric transmission or other communication service lines or poles or pipelines, fences, gasoline tanks and pumps or other structures for any "utility," as such term is defined in Section 337.401, Florida Statutes. The City is authorized to charge franchise fees in connection with the granting of such public rights-of-way in accordance with Section 337.401, Florida Statutes.

The City's revenues from franchise fees primarily consist of payments made by Florida Power & Light Company ("FP&L") and Waste Pro of Florida, Inc. ("Waste Pro") for the privilege of constructing upon or operating within rights-of-way owned by the City. Such franchise fees are paid pursuant to long-term agreements which provide for payment to the City of certain percentages of the entity's gross revenue derived from accounts within the City limits, less adjustments in the amounts to be paid to the City, as provided in the franchise agreement for the respective entities. The franchise agreement with FP&L provides FP&L the nonexclusive right and privilege to construct, operate and maintain electric light and power facilities on "public rights-of-way" (as defined in such franchise agreement) for the purpose of supplying electricity and related services within the City. The franchise agreement with Waste Pro provides Waste Pro the exclusive right and privilege to operate and maintain a comprehensive solid waste and other refuse collection system and service, and a recycling collection system for residential curbside service, each within the City. The current franchise agreements expire in August, 2039 (with respect to FP&L) and in April, 2022 (with respect to Waste Pro).

Fines and Forfeitures

Fines and forfeitures reflect those penalties and fines imposed for (i) the commission of statutory offenses, (ii) violations of lawful administrative rules and regulations, and (iii) neglect of official duty. Forfeitures include revenues resulting from parking fines, court fines, and proceeds from the sale of contraband property seized by law enforcement agencies.

Investment Income

Investment income included in Non-Ad Valorem Revenues constitutes interest earned on investments made by the City. Such revenues have decreased in recent years as economic growth has slowed and interest rates on investments have generally decreased.

Miscellaneous Revenues

Miscellaneous revenues comprise a variety of revenue sources, including:

- (i) Rents and royalties;
- (ii) Disposition of fixed assets;
- (iii) Contributions and donations;
- (iv) Insurance proceeds; and
- (v) Other miscellaneous revenue.

Non-Ad Valorem Revenue Collections

General

The following table summarizes actual collections by the City of Non-Ad Valorem Revenues for the Fiscal Years ended September 30, 2016 through and including September 30, 2020. Certain of the Non-Ad Valorem Revenues have been pledged to secure other indebtedness of the City. Such other indebtedness is payable from the specific revenue sources pledged, prior to payment of debt service on the Series 2021 Bonds. The City also has indebtedness it has issued that is payable from a covenant of the City to budget and appropriate sufficient legally available non-ad valorem revenues, and may issue additional indebtedness in the future that is payable from such non-ad valorem revenues. See “SECURITY AND SOURCES OF PAYMENT - Issuance of Other Obligations,” “NON-AD VALOREM REVENUES - Obligations Payable From Non-Ad Valorem Revenues” and “- Historical Debt Service Coverage” herein. In addition, certain categories of Non-Ad Valorem Revenues set forth in the following table may cease to exist altogether and new sources may become available from time to time. There is no way to determine with any reasonable degree of certainty whether (i) the collection of any category of Non-Ad Valorem Revenues shall cease or (ii) new sources of Non-Ad Valorem Revenues will be created.

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Non Ad-Valorem Revenues By Source⁽¹⁾

	Fiscal Year Ended September 30,				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽²⁾</u>
Taxes					
Public Service Tax	\$10,079,642	\$10,396,662	\$10,793,670	\$10,979,733	\$11,183,320
Communication Services Tax	<u>4,535,331</u>	<u>4,381,159</u>	<u>4,352,859</u>	<u>3,872,190</u>	<u>3,625,130</u>
Total Tax Revenues	<u>14,614,973</u>	<u>14,777,821</u>	<u>15,146,529</u>	<u>14,851,923</u>	<u>14,808,450</u>
Licenses and Permits ⁽³⁾					
Business Tax	1,788,184	2,072,694	2,037,554	2,108,978	2,126,283
Other	<u>3,273,439</u>	<u>4,861,181</u>	<u>6,585,324</u>	<u>6,480,515</u>	<u>9,718,963</u>
Total Licenses and Permits	<u>5,061,623</u>	<u>6,933,875</u>	<u>8,622,878</u>	<u>8,589,493</u>	<u>11,845,246</u>
Impact Fees ⁽⁴⁾					
Police and Fire	176,916	411,797	411,561	484,356	1,705,310
Parks and Recreation	<u>560,626</u>	<u>1,797,794</u>	<u>277,624</u>	<u>1,977,831</u>	<u>3,814,094</u>
Total Impact Fees	<u>737,542</u>	<u>2,209,591</u>	<u>689,185</u>	<u>2,462,187</u>	<u>5,519,404</u>
Intergovernmental					
Half-Cent Sales Tax	8,444,665	8,724,774	9,310,105	9,289,557	8,386,238
State Revenue Sharing	3,036,595	3,344,977	3,523,034	3,747,793	3,391,460
Other (Mobile Home licenses, etc.)	112,362	92,429	118,766	117,794	112,650
Fire Special Assessments	<u>19,150,536</u>	<u>20,577,544</u>	<u>20,763,863</u>	<u>21,168,750</u>	<u>21,441,031</u>
Total Intergovernmental	<u>30,744,158</u>	<u>32,739,724</u>	<u>33,715,768</u>	<u>34,323,894</u>	<u>33,331,379</u>
Franchise Fees	<u>8,579,951</u>	<u>8,910,118</u>	<u>8,654,462</u>	<u>9,107,279</u>	<u>9,116,260</u>
Charges for Services					
General Government	6,630,034	7,922,757	8,469,291	8,863,671	8,534,342
Public Safety	2,732,711	3,144,799	3,349,591	3,192,641	3,745,587
Physical Environment	399,479	353,702	470,751	216,277	234,149
Community Services	<u>4,271,076</u>	<u>4,252,643</u>	<u>4,925,770</u>	<u>4,424,849</u>	<u>2,177,482</u>
Total Charges for Services	<u>14,033,300</u>	<u>15,673,901</u>	<u>17,215,403</u>	<u>16,697,438</u>	<u>14,691,560</u>
Fines and Forfeitures	<u>693,859</u>	<u>762,249</u>	<u>753,041</u>	<u>659,216</u>	<u>511,050</u>
Investment Income					
General Fund	281,855	582,786	1,013,162	1,791,547	841,534
Public Safety Capital Projects ⁽⁴⁾	11,506	13,747	7,733	3,924	486
Park Development Projects ⁽⁴⁾	<u>17,201</u>	<u>31,253</u>	<u>48,032</u>	<u>67,465</u>	<u>23,351</u>
Total Investment Income	<u>310,562</u>	<u>627,786</u>	<u>1,068,927</u>	<u>1,862,936</u>	<u>865,371</u>
Miscellaneous Revenues	<u>2,823,947</u>	<u>2,455,111</u>	<u>2,429,608</u>	<u>2,981,466</u>	<u>2,305,946</u>
Total Non-Ad Valorem Revenues	<u>\$77,599,915</u>	<u>\$85,090,176</u>	<u>\$88,295,801</u>	<u>\$91,355,832</u>	<u>\$92,994,666</u>
As a Percent of Total General Fund Revenues	58.81%	59.76%	58.42%	57.21%	57.35%

Source: City of Miramar, Florida Finance Department.

Footnotes below are for immediately preceding table on immediately preceding page.

- (1) Unless otherwise noted, includes only non-ad valorem revenues of the City deposited into the General Fund.
- (2) Unaudited.
- (3) The higher amount for licenses and permits for Fiscal Year 2020 is due to a significant increase in the number of licenses and permits purchased following COVID-19 related changes in the way many individuals and entities were required to modify their operations.
- (4) Impact fees are deposited into separate funds established for the facilities relating to the purpose for which the Impact fees were collected. Although not deposited into the General Fund, a portion of the Impact Fees collected for (i) growth related improvements in the City's park system and deposited into the Park Development Fund, (ii) growth related improvements for the City's police department and deposited into the Police Capital Improvement Fund, and (iii) growth related improvements for the City's fire department and EMS facilities and deposited into the Fire and EMS Capital Improvement Fund, and the investment earnings thereon, constitute Non-Ad Valorem Revenues that may be used to pay debt service on the Series 2021 Bonds.

Summary of Results

The amount of the Half-Cent Sales Tax revenues received by the City during the Fiscal Year ended September 30, 2020, and currently being received by the City, has been and is being impacted by the effects of the COVID-19 pandemic, with lower overall taxable sales, higher numbers of people under-employed and unemployed, and much lower numbers of visitors to the City. Comparatively, based on the State's January 2020 Revenue Estimating Conference, the Half-Cent Sales Tax Revenues collected by the State in the State fiscal year 2019-2020 was \$109.8 million below the amount collected in State fiscal year 2018-2019. As of August 26, 2020, Half-Cent Sales Tax revenues collected by the State were under the estimated budget by \$23.8 million for collections of the State's fiscal year through the month of July, 2020.

For the Fiscal Year ended September 30, 2020, Half-Cent Sales Tax revenues received by the City totaled \$8,386,238, as compared to \$9,289,557 for the Fiscal Year ended September 30, 2019. Such amount represented an approximately 10.8% decrease in Fiscal Year 2020 Half-Cent Sales Tax revenues from the prior year. Since historically, Half-Cent Sales Tax revenues generally increase from year to year, or only decrease by relatively small amounts from year to year, the decrease in Fiscal Year 2020 is mostly attributable to the reduction in sales in the City resulting from required business closures, sheltering at home orders, travel restrictions and other unusual measures imposed in response to COVID-19. Also see "INVESTMENT CONSIDERATIONS - COVID-19" herein for a general discussion of certain adverse impacts resulting from the COVID-19 pandemic.

For the Fiscal Year ended September 30, 2020, revenues received by the City from charges for community services totaled \$2,177,482, as compared to \$4,424,849 for the Fiscal Year ended September 30, 2019. Such amount represented an approximately 50.8% decrease in Fiscal Year 2020 revenues from charges for community services in the City from the prior year. Since historically, such revenues generally increase from year to year, or only decrease by relatively small amounts from year to year, the decrease in Fiscal Year 2020 is mostly attributable to the reduction in community services purchased in the City resulting from required closures of City parks and other public attractions and facilities, sheltering at home orders, travel restrictions and other unusual measures imposed in response to COVID-19. Also see "INVESTMENT CONSIDERATIONS - COVID-19" herein for a general discussion of certain adverse impacts resulting from the COVID-19 pandemic.

Other sources of Non-Ad Valorem Revenues were less for Fiscal Year 2020 than the amounts collected for Fiscal Year 2019, prior to the pandemic. Such reductions, however, were generally not significant. In addition, despite substantial reductions in certain sources of Non-Ad Valorem Revenues in Fiscal Year 2020 resulting from the pandemic, the total amount of non-ad valorem revenues of the City increased from Fiscal Year 2019 to Fiscal Year 2020 by approximately 1.8%, from \$91,355,832 in Fiscal

Year 2019 to \$92,994,666 in Fiscal Year 2020. Certain restrictions resulting from the COVID-19 pandemic remain in effect in the City. There is no way to determine with any reasonable degree of certainty how long restrictions imposed in response to the pandemic will be required, whether such restrictions will be lowered or will need to increase in response to the number of cases, deaths or other factors resulting from COVID-19, or (iii) the impact such restrictions will have on the revenues collected by the City. See “INVESTMENT CONSIDERATIONS - COVID-19” herein for a general discussion of certain adverse impacts resulting from the COVID-19 pandemic.

Obligations Payable from Non-Ad Valorem Revenues

The City has incurred indebtedness payable from its non-ad valorem revenues which requires a portion of the Non-Ad Valorem Revenues to be used to pay such indebtedness. In addition, the City currently has outstanding bonds that are secured in part by a specific pledge of and lien on certain Non-Ad Valorem Revenues for payment of debt service on such bonds. The portion of the Non-Ad Valorem Revenues required to pay indebtedness secured by a lien on specific Non-Ad Valorem Revenues will not be available to pay debt service on the Series 2021 Bonds. See “SECURITY AND SOURCES OF PAYMENT - Issuance of Other Obligations” herein. The outstanding principal amount of the City’s indebtedness payable from Non-Ad Valorem Revenues, including the Refunded Bonds (which will be refunded upon issuance of the Series 2021 Bonds) is currently \$132,145,000, with maximum annual debt service totaling \$12,214,612, each calculated on a Bond Year basis. Such amounts will decrease when the Refunded Bonds are defeased upon issuance of the Series 2021 Bonds.

Set forth below is a description of the obligations that have been entered into by the City which are secured by certain non-ad valorem revenues or payable from the City’s covenant to budget and appropriate, on an annual basis, legally available non-ad valorem revenues of the City.

Special Obligation Refunding and Improvement Revenue Bonds, Series 2013

In September 2013, the City issued the Series 2013 Bonds to (i) refund its then outstanding \$10,000,000 Capital Improvement Revenue Note (SunTrust Bank), Series 2008 and (ii) finance the acquisition, construction and equipping of various capital improvement projects in the City. The City’s obligation to repay the Series 2013 Bonds is secured by a covenant of the City to budget and appropriate sufficient legally available non-ad valorem revenues. Interest on the Series 2013 Bonds is payable semiannually on each April 1 and October 1, with principal payable on October 1 of each year until their final maturity on October 1, 2038, or earlier redemption. The Series 2013 Bonds are currently outstanding in the aggregate principal amount of \$51,780,000, with a maximum annual debt service of \$4,388,113, each calculated on a Bond Year basis. Upon issuance of the Series 2021 Bonds, only the Unrefunded Series 2013 Bonds in the aggregate principal amount of \$4,010,000 will remain outstanding.

Capital Improvement Refunding Revenue Bonds, Series 2015

In March 2015, the City issued its \$79,595,000 Capital Improvement Refunding Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) to refund its then outstanding \$3,635,000 Public Service Tax Refunding Revenue Bonds, Series 2003 and its then outstanding \$83,935,000 Capital Improvement Revenue Bonds, Series 2005. The City’s obligation to repay the Series 2015 Bonds is secured by a pledge of and lien on (i) the Half-Cent Sales Tax revenues, (ii) revenues collected by the City pursuant to the Communications Services Tax Law, and (iii) a portion of the revenues collected by the City pursuant to the Public Service Tax Law. Interest on the Series 2015 Bonds is payable semiannually on each April 1 and October 1, with principal payable on October 1 of each year until their final maturity on October 1, 2035, or earlier redemption. The Series 2015 Bonds are currently outstanding in the aggregate principal

amount of \$63,895,000, with a maximum annual debt service of \$6,039,475, each calculated on a Bond Year basis.

Special Obligation Revenue Note, Series 2017

In February 2017, the City issued its \$10,000,000 Special Obligation Revenue Note, Series 2017 (the “Series 2017 Note”) to finance the cost of various capital improvements within the City. The Series 2017 Note bears interest at the rate of 2.9125% per annum, with interest payments due quarterly on January 15, April 15, July 15, and October 15 of each year. The Series 2017 Note is currently outstanding in the aggregate principal amount of \$6,850,000 and matures on January 15, 2027. Maximum annual debt service on the Series 2017 Note is \$1,165,917. The City’s obligation to repay the Series 2017 Note is secured by a covenant to budget and appropriate sufficient legally available non-ad valorem revenues of the City.

Special Obligation Revenue Note, Series 2019

In October 2019, the City issued its \$5,000,000 Tax-Exempt Special Obligation Revenue Note (SunTrust Bank), Series 2019A, (the “Series 2019A Note”) and its \$5,000,000 Taxable Special Obligation Revenue Note, Series 2019B, (the “Series 2019B Note” and together with the “Series 2019A Note,” the “Series 2019 Notes”) to finance the cost of various capital improvements within the City. The Series 2019A Note bears interest at the rate of 1.920% per annum and the Series 2019B Note bears interest at the rate of 2.360% per annum, with each of the Series 2019 Notes containing interest payments due quarterly on January 1, April 1, July 1, and October 1 of each year. The Series 2019 Notes are currently outstanding in the aggregate principal amount of \$9,620,000, with maximum annual debt service on the Series 2019 Notes of \$621,107, each calculated on a Bond Year basis. The Series 2019 Notes mature on October 1, 2039. The City’s obligation to repay the Series 2019 Notes is secured by a covenant to budget and appropriate sufficient legally available non-ad valorem revenues of the City.

Set forth below is a table that shows all of the currently outstanding debt of the City that is secured by or payable from legally available non-ad valorem revenues of the City. For a more detailed discussion of the City’s outstanding debt, as of September 30, 2020, see “APPENDIX B - Excerpts from Comprehensive Annual Financial Report of the City of Miramar, Florida for the Fiscal Year Ended September 30, 2020” and, in particular, “Note 9. Long-Term Obligations” in the Notes to the Basic Financial Statements contained in the Comprehensive Annual Financial Report.

Outstanding Non-Ad Valorem Revenues Debt⁽¹⁾

<u>Outstanding Obligation</u>	<u>Final Maturity</u>	<u>Outstanding Principal Amount</u>	<u>Percent of Total Principal</u>	<u>Maximum Annual Debt Service</u>	<u>Percent of Total Debt Service</u>
Special Obligation Bonds, Series 2013 ⁽²⁾	10/1/38	\$ 53,815,000	39.15%	\$ 4,483,813	36.59%
Capital Improvement Bonds, Series 2015	10/1/35	67,080,000	48.79	5,955,725	48.60
Special Obligation Note, Series 2017 ⁽³⁾	1/15/27	6,850,000	4.98	1,165,917	9.52
Special Obligation Note, Series 2019A	10/1/39	4,865,000	3.54	319,368	2.61
Special Obligation Note, Series 2019B	10/1/39	<u>4,865,000</u>	<u>3.54</u>	<u>328,629</u>	<u>2.68</u>
TOTAL		<u>\$137,475,000</u>	<u>100.00%</u>	<u>\$12,253,452</u>	<u>100.00%</u>

Source: City of Miramar, Florida Finance Department.

Footnotes below are for immediately preceding table on immediately preceding page.

- (1) Amounts presented on a Fiscal Year basis, beginning with the Fiscal Year ending September 30, 2021.
- (2) Upon issuance of the Series 2021 Bonds, only the Unrefunded Series 2013 Bonds in the aggregate principal amount of \$4,010,000, with maturities of October 1, 2021 and 2022 and a maximum annual debt service of \$4,388,113, each calculated on a Bond Year basis, will remain outstanding.
- (3) The City is contemplating the issuance of a special obligation note during Fiscal Year 2021 or Fiscal Year 2022 to refund the outstanding Series 2017 Note. Such note is expected to be payable from legally available non-ad valorem revenues of the City. See "SECURITY AND SOURCES OF PAYMENT - Issuance of Other Obligations" herein.

Debt Service for Outstanding Non-Ad Valorem Revenues Debt

Set forth below are the debt service requirements for the City's bonds and notes that are outstanding immediately prior to issuance of the Series 2021 Bonds and are secured by a pledge of and lien on any specific non-ad valorem revenues of the City or by a covenant to budget and appropriate sufficient legally available non-ad valorem revenues of the City.

Fiscal Year Ending September 30	Series 2013 Bonds ⁽¹⁾	Series 2015 Bonds ⁽²⁾	Series 2017 Note ⁽³⁾	Series 2019 Note	Total Outstanding Non-Ad Valorem Revenues Debt
2021	\$ 4,483,812.50	\$ 5,954,100.00	\$ 1,163,984.44	\$ 619,809.00	\$ 12,221,669.94
2022	4,348,512.50	5,955,725.00	1,155,296.72	610,939.00	12,070,473.22
2023	4,318,312.50	5,944,225.00	1,165,916.88	611,908.50	12,040,362.88
2024	4,320,412.50	5,939,350.00	1,155,517.66	627,603.00	12,042,883.16
2025	4,314,212.50	5,940,350.00	1,164,390.32	628,019.00	12,046,971.82
2026	4,313,184.38	5,536,975.00	1,157,207.20	613,258.00	11,620,624.58
2027	4,310,481.26	5,534,350.00	581,334.69	613,371.50	11,039,537.45
2028	4,305,656.26	5,562,775.00	0.00	623,258.00	10,491,689.26
2029	4,304,750.01	5,518,575.00	0.00	622,860.50	10,446,185.51
2030	4,300,540.63	5,553,975.00	0.00	607,339.50	10,461,855.13
2031	4,297,543.75	5,550,000.00	0.00	606,693.00	10,454,236.75
2032	4,291,800.00	5,551,312.50	0.00	640,613.00	10,483,725.50
2033	4,284,000.00	5,544,750.00	0.00	609,260.00	10,438,010.00
2034	4,280,125.00	5,536,950.00	0.00	602,912.50	10,419,987.50
2035	4,273,375.00	5,491,900.00	0.00	621,233.00	10,386,508.00
2036	4,268,375.00	5,506,825.00	0.00	624,179.00	10,399,379.00
2037	4,264,625.00	0.00	0.00	606,951.50	4,871,576.50
2038	4,261,625.00	0.00	0.00	629,357.00	4,890,982.00
2039	4,258,875.00	0.00	0.00	606,519.00	4,865,394.00
2040	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>170,909.50</u>	<u>170,909.50</u>
Total	<u>\$81,800,218.79</u>	<u>\$90,622,137.50</u>	<u>\$7,543,611.91</u>	<u>\$11,896,993.50</u>	<u>\$191,862,961.70</u>

Footnotes for the immediately preceding table are provided on the next page.

- (1) Reflects debt service on the Series 2013 Bonds prior to issuance of the Series 2021 Bonds. Only the Unrefunded Series 2013 Bonds will remain outstanding upon issuance of the Series 2021 Bonds. See “INTRODUCTION” and “PLAN OF REFUNDING” herein.
- (2) The payment of debt service on the Series 2015 Bonds is secured by a pledge of and lien on the (i) Half-Cent Sales Tax revenues, (ii) revenues collected by the City pursuant to the Communications Services Tax Law and (iii) a portion of the revenues collected by the City pursuant to the Public Service Tax Law.
- (3) The Series 2017 Note may be refunded during the current Fiscal Year or in Fiscal Year 2022. See “SECURITY AND SOURCES OF PAYMENT - Issuance of Other Obligations” herein.

In addition to debt incurred by the City that is secured by and payable from its various sources of non-ad valorem revenues, the City has entered into several capital lease agreements to finance the acquisition of certain equipment and vehicles. Lease payments under such agreements are payable from annual appropriations of legally available non-ad valorem revenues made by the City. The City currently has six (6) capital leases outstanding. The leases (i) have a term of between three (3) to seven (7) years, (ii) provide for quarterly installment payments (with respect to four (4) of the leases) ranging from approximately \$10,000 to approximately \$84,000, or annual installment payments (with respect to two (2) of the leases) ranging from approximately \$38,000 to approximately \$294,000, (iii) have provisions for acceleration or the return of equipment if the City fails to appropriate amounts needed to make rental payments, and (iv) are collateralized by the equipment being lease-purchased under the agreement. Set forth below is a list of the City’s current capital leases.

Outstanding Capitalized Lease Obligations

<u>Outstanding Obligation</u>	<u>Final Maturity</u>	<u>Outstanding Principal Amount</u>	<u>Percent of Total Principal</u>	<u>Maximum Annual Debt Service</u>	<u>Percent of Total Debt Service</u>
U.S. Bank Fire Equipment Lease 2016	3/30/23	\$ 825,897	25.36%	\$ 337,665	29.36%
Motorola Lease 2017	3/1/24	136,817	4.20	37,905	3.30
Key Bank Master Equipment Lease 2017	10/30/21	587,515	18.04	293,758	25.54
Firefighter Breathing Apparatus Lease	6/1/22	552,793	16.97	166,368	14.47
Cisco Wi-Fi Lease	5/16/23	112,491	3.45	43,620	3.79
Bank of America M&P Radios Lease	8/10/24	<u>1,041,479</u>	<u>31.98</u>	<u>270,681</u>	<u>23.54</u>
TOTAL		<u>\$3,256,992</u>	<u>100.00%</u>	<u>\$1,149,997</u>	<u>100.00%</u>

Source: City of Miramar, Florida Finance Department.

Annual minimum capital lease payments, the present value thereof and the book value of the assets leased for the Fiscal Year ended September 30, 2020 and projected for the Fiscal Years ending September 30, 2021 through 2024 are as follows:

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Projected Capitalized Lease Payments

<u>Fiscal Year ended September 30,</u>	<u>Annual Minimum Lease Payment</u>
2020	\$1,150,000
2021	1,150,000
2022	676,504
2023	391,770
2024	<u>- 0 -</u>
Total Minimum Lease Payments	3,368,274
Less Amount Representing Interest	<u>(111,281)</u>
Present Value of Minimum Lease Payments	<u><u>\$3,256,993</u></u>

Book Value of Assets

Assets	
Equipment	\$6,389,545
Less Accumulated depreciation	(2,387,910)
Total Net Book Value	<u><u>\$4,001,635</u></u>

Source: City of Miramar, Florida Finance Department.

For a more detailed discussion of the City's outstanding capitalized lease obligations, see "APPENDIX B - Excerpts from Comprehensive Annual Financial Report of the City of Miramar, Florida for the Fiscal Year Ended September 30, 2020" and, in particular, "Note 9. Long-Term Obligations - Capital Leases" in the Notes to the Basic Financial Statements contained in the Comprehensive Annual Financial Report.

Historical Debt Service Coverage

Set forth below is a table that shows (i) the Non-Ad Valorem Revenues for Fiscal Years 2016 through 2020 and the amount budgeted for Fiscal Year 2021, (ii) the maximum annual debt service for all obligations secured by or payable from legally available non-ad valorem revenues of the City, and (iii) the coverage of the maximum annual debt service on all obligations secured by or payable from legally available non-ad valorem revenues of the City.

The table set forth below is not intended to represent the total amount of revenues that would be available to pay debt service on the Series 2021 Bonds, but rather, to provide an indication of the relative amount of Non-Ad Valorem Revenues that may be available to pay principal of and interest on the Series 2021 Bonds, taking into account other obligations of the City, including funding requirements for essential governmental services of the City and other limitations on the collection, appropriation or use of Non-Ad Valorem Revenues or any portion thereof. Unless otherwise expressly noted in the following table, no attempt has been made to quantify what portion of the Non-Ad Valorem Revenues may be affected by such limitations.

Historical Non-Ad Valorem Revenues, Debt Service and Coverage

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D=(A-B-C)</u>	<u>E</u>	<u>F=D/E</u>
Fiscal Year	Total Non-Ad Valorem Revenues ⁽¹⁾	Available Non-Ad Valorem Revenues Used for Essential Services ⁽²⁾	Obligations Secured by Specific Non-Ad Valorem Revenues ⁽³⁾	Non-Ad Valorem Revenues Available for Covenant to Budget and Appropriate Debt	Debt Service on Covenant to Budget and Appropriate Debt ⁽⁴⁾	Debt Service Coverage on all Covenant to Budget and Appropriate Debt ⁽⁴⁾
2016	\$77,599,915	\$20,714,129	\$6,039,475	\$50,846,311	\$5,202,792	9.77x
2017	85,090,176	26,144,050	5,955,725	52,990,401	6,861,074	7.72
2018	88,295,801	25,541,239	5,955,725	56,798,837	6,904,694	8.23
2019	91,355,832	21,417,966	5,955,725	63,982,141	6,977,789	9.17
2020 ⁽⁵⁾	92,994,666	23,485,960	5,955,725	63,552,981	7,440,340	8.54
2021 ⁽⁶⁾	87,419,466	19,339,786	5,955,725	62,123,955	7,440,340	8.35

Source: City of Miramar, Florida Finance Department.

- (1) Represents Non-Ad Valorem Revenues, as defined in the Resolution. See “NON-AD VALOREM REVENUES - Non-Ad Valorem Revenue Collections” herein.
- (2) “Essential services” describes the governmental services generally provided by Florida municipalities for its residents. Such services are not specifically defined but are generally the services required for public safety, health care and sanitation within the City. Amounts presented represent the general cost of providing such services, minus the portion of such cost that is paid from the City’s ad valorem tax revenues.
- (3) Represents maximum annual debt service payments for the Series 2015 Bonds, which are secured by a pledge of and lien on the (i) Half-Cent Sales Tax revenues, (ii) revenues collected by the City pursuant to the Communications Services Tax Law and (iii) a portion of the revenues collected by the City pursuant to the Public Service Tax Law. See “NON-AD VALOREM REVENUES - Sources of Non-Ad Valorem Revenues” and “- Obligations Payable from Non-Ad Valorem Revenues” herein.
- (4) Represents maximum annual debt service payments in each Fiscal Year on (i) the Series 2013 Bonds, (ii) the Series 2017 Note; (iii) the Series 2019 Notes; and (iv) the City’s outstanding capitalized lease obligations. The maximum annual debt service is expected to decrease upon issuance of the Series 2021 Bonds. See “PLAN OF REFUNDING” and “NON-AD VALOREM REVENUES - Obligations Payable from Non-Ad Valorem Revenues” herein.
- (5) Unaudited.
- (6) Based on the budget approved by the City Commission for the Fiscal Year ending September 30, 2021. The decrease in budgeted Non-Ad Valorem Revenues results from a reduction in Non-Ad Valorem Revenues projected as a result of the continuing effects of the COVID-19 pandemic. See “NON-AD VALOREM REVENUES - Non-Ad Valorem Revenue Collections - Summary of Results” and “INVESTMENT CONSIDERATIONS - COVID-19” herein.

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DEBT SERVICE SCHEDULE

Set forth below are the Debt Service requirements for the Series 2021 Bonds.

<u>Fiscal Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$	\$	\$
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

THE CITY

General

The Legislature of the State created the City in 1955. The City is located in Broward County, the second most populated county in the State, and occupies approximately 31 square miles in the southwestern portion of the County. The population in the City has grown to over 138,000 residents, which is an increase of 13.76% from the 2010 census count of 122,000. The City is currently the 4th largest city in Broward County and 13th largest in the State, having moved from the 25th largest city in 2000 and the 41st largest in 1990. Growth in both residential and commercial development in the City has continued in recent years, although at a pace that is less vigorous than at the height of the City's growth during the past three decades. Adverse impacts from the COVID-19 pandemic have also resulted in slower growth during the past year than was anticipated prior to the advent of the pandemic. See, "INVESTMENT CONSIDERATIONS - COVID-19" herein for a general discussion of such impacts.

The City is centrally located between the Miami and Fort Lauderdale metropolitan areas, approximately 15 miles southwest of Fort Lauderdale and approximately 20 miles northwest of Miami.

As such, it is strategically positioned to benefit from the robust economic activity attracted to those two major business centers.

The City operates under a Commission/Manager form of government. Policymaking and legislative authority are vested in the City Commission, which consists of a Mayor, a Commissioner selected by the City Commission to serve as Vice-Mayor, and three additional Commissioners. The City Commission is vested with policy-setting authority, adopting the annual budget, appointing committees and hiring the City Manager and the City Attorney. The City Manager is responsible for recommending and carrying out the policies and ordinances of the City Commission, appointing the directors of the City's departments, with the concurrence of the City Commission, submitting the proposed annual budget, advising the City Commission as to the financial condition of the City, and overseeing the City's day-to-day operations.

The City provides a full range of services, including public safety, general government, the construction and maintenance of streets and other infrastructure, recreational activities, community services and cultural events. Water services are provided by two water treatment plants located in the east and west portions of the City. Wastewater services are provided by a state of the art Wastewater Reclamation Facility, which treats sewage and then recycles the used water for irrigation purposes. A franchise contractor provides the City's sanitation services.

For more general, statistical and demographic information about the City, the services it provides, and the area economy, see "APPENDIX A - General Information regarding the City of Miramar, Florida."

Financial Planning

The budget for the City is adopted by the City Commission no later than September 30th of each year. The City's budget has consistently received the Government Finance Officers Association of the United States and Canada (the "GFOA") Certificate of Achievement for its budget presentations since the City began participation in the program in 1990. The City utilizes the following procedures in establishing the budgetary data reflected in its financial statements:

1. Prior to October 1st, the City Manager submits to the City Commission a proposed operating budget for the subsequent fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1st, the budget is legally adopted through passage of an ordinance.
4. All budget amendments require approval by the City Commission when operating expenditures exceed budgeted appropriations at the department level, which is the legal level of control. In addition, a budget amendment approved by the City Commission is required when capital improvement expenditures exceed budgeted appropriations at the department level.
5. Appropriations lapse at year-end, except for grants, capital improvements, capital outlay and shared revenues from other governmental units which do not lapse at year-end and are only reported to the extent of revenues recognized, and expenditures incurred, for the current year.
6. Budgets are prepared on the same basis of accounting as required for governmental fund types and are presented in the financial statements inclusive of all amendments to the original appropriation as approved by the City Commission during the Fiscal Year.

The City maintains a five-year Capital Improvement Plan which is updated annually in connection with the adoption of the budget. Proposed projects are prioritized and funds are allocated to projects according to their order of priority. The five-year strategic capital plans coordinate capital needs and the impact of those capital needs on operating budgets. The Capital Improvement Plan for Fiscal Years 2021 through 2025 was adopted by the City Commission in a meeting after adoption of the budget for Fiscal Year 2021 to allow extra time for staff of the City to reassess funding needs and priorities in light of the continuing impact of COVID-19. See, “INVESTMENT CONSIDERATIONS - COVID-19” herein for a general discussion of such impacts. A copy of the budget and the Capital Improvement Plan adopted by the City may be viewed on the City’s website at: <https://www.miramarfl.gov/260/Management-Budget>.

Financial Reporting

The GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (“CAFR”) in each year since the City began participation in the program in 1990. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

Florida law requires that an annual audit of each city’s accounts and records be completed by a firm of independent certified public accountants retained and paid for by such city. Caballero Fierman Llerena & Garcia, LLP performed the audit for the City for the Fiscal Year ended September 30, 2020. The audit of the City’s financial statements for the Fiscal Year ended September 30, 2020 is currently being prepared. See “FINANCIAL STATEMENTS” herein. The City’s audited financial statements for the Fiscal Year ended September 30, 2020 appear as APPENDIX B to this Official Statement.

General Fund

The General Fund is the general operating fund of the City. It accounts for all financial resources except for those required to be accounted for in any other fund. The largest source of funding in the General Fund is revenue from ad valorem taxation. **Ad valorem taxes have not been pledged to secure the Series 2021 Bonds and the City cannot be compelled to levy ad valorem taxes to pay Debt Service on the Series 2021 Bonds.** Revenues deposited in the General Fund do not directly correspond to the Non-Ad Valorem Revenues from which debt service on the Series 2021 Bonds is payable, as some General Fund Revenues are not legally available for such purpose. Operations are removed from the General Fund only when they are deemed to be true enterprise operations or require separate accounting by City or State requirements or by Generally Accepted Accounting Principles (“GAAP”).

Although the Series 2021 Bonds are not payable from ad valorem taxation, approximately 42% of General Fund Revenues collected by the City come from ad valorem taxes. To the extent that the future collection of ad valorem tax revenues is adversely affected, a larger portion of the City’s non-ad valorem revenues would be required to balance the budget (which is required by State law) and provide for the payment of services and programs which are (i) for essential public purposes affecting the health, safety and welfare of the inhabitants of the City or (ii) mandated by applicable law. No representation is being made by the City that any particular source of Non-Ad Valorem Revenue will be available in future years, or if available, will be budgeted to pay debt service on the Series 2021 Bonds.

Continued consistent receipt of Non-Ad Valorem Revenues is dependent upon a variety of factors, including formulas specified under State law for the distribution of certain of such funds which take into consideration the ratio of residents in the City to total county residents. The amounts and availability of any of the Non-Ad Valorem Revenues to the City are also subject to change, including reduction or elimination by change of State law or changes in the facts or circumstances according to which certain of

the Non-Ad Valorem Revenues are allocated. In addition, the amount of certain of the Non-Ad Valorem Revenues collected by the City is directly related to the general economy of the City. Accordingly, adverse economic conditions could have a material adverse effect on the amount of Non-Ad Valorem Revenues collected by the City. The City may also specifically pledge certain of the Non-Ad Valorem Revenues or covenant to budget and appropriate legally available Non-Ad Valorem Revenues of the City to future obligations that it issues. In the case of a specific pledge, such Non-Ad Valorem Revenues would be required to be applied to such obligations prior to paying the principal of and interest on the Series 2021 Bonds.

PENSION PLANS

The information relating to the Pension Plans and the OPEB Plans (each, as defined herein) contained in this Official Statement has been obtained from each plan's actuarial and other reports prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements, and the City's annual audited financial statements. No representation is made by the City as to the accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date of such information.

General

As described in more detail below, the City has four (4) separate defined benefit pension plans: the General Employees' Retirement Plan, the Police Officers' Retirement Plan, the Firefighters' Retirement Plan and the Management Retirement Plan (collectively, the "Pension Plans"). The City's payment of obligations under the Pension Plans is determined during the budget process. See "THE CITY - Financial Planning" herein.

Each of the Pension Plans prepares financial statements using the accrual basis of accounting in conformity with GAAP. Under the accrual basis of accounting, plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the respective Pension Plans.

The investment return assumption for each of the Pension Plans is 7.0% and the inflation rate is assumed to be 2.50%. The discount rate used to measure total pension liability is also 7.0%. The projection of cash flows used to determine the discount rate assumed that member contributions for each of the Pension Plans will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position for each of the Pension Plans was projected to be available to make all projected future benefit payments of current members of the respective Pension Plans. Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the total liability for each Pension Plan for the Fiscal Year ended September 30, 2020.

Each of the Pension Plans is a governmental benefit plan and is tax exempt under the Internal Revenue Code.

Defined Benefit Plans

General Employees' Retirement Plan

Plan Description. The City's General Employees' Retirement Plan (the "General Plan"), a single-employer defined benefit pension plan, was authorized in its present form by City Ordinance No. 81-12, as amended, which amended Chapter 15, Article V of the City Code, and by Florida Statutes, including Chapter 112. The General Plan is classified as a fiduciary trust fund of the City administered by the Board of Trustees of the General Employees' Retirement Plan, which is composed of five (5) members (the City Manager, the Mayor, two (2) regularly employed general employees of the City elected by a majority of the regularly employed general employees of the City, and one (1) resident of the City, selected by the previous four (4) members) (the "General Plan Trustees").

All City employees, other than regular members of the police and fire departments, full time management employees, certain appointed employees and elected officials of the City, are eligible to become a member of the General Plan. As of the valuation date for the Fiscal Year ended September 30, 2020, the annual covered payroll for eligible employees covered by the General Plan was \$18,912,658. As of such valuation date, employee membership data related to the General Plan was as follows:

General Plan Employee Membership

Retirees and beneficiaries currently receiving benefits	192
Inactive employees entitled to but not yet receiving benefits	29
Active Employees (including transfers)	<u>445</u>
Total	<u>666</u>

Source: City of Miramar, Florida Retirement Plan for GASB Statement No. 68 Disclosure Information for Reporting Year Ended September 30, 2020, dated August 27, 2020.

As stipulated by Chapter 15, Article V of the City Code, and by Florida Statutes, including Chapter 112, authority to establish and amend benefit provisions of the General Plan rests with the City Commission. The General Plan Trustees may make recommendations to the City Commission regarding changes in the provisions of the General Plan. In accordance with Ordinance No. 19-09 adopted by the City Commission on November 28, 2018, benefits under the General Plan are calculated as follows:

- (1) For members not eligible for benefits under a prior retirement plan of the City for general employees, the monthly retirement benefit under the General Plan shall be:
 - (i) for those employees who retired prior to October 1, 1989, 1.50% of average monthly earnings times credited service;
 - (ii) for those employees who have fulfilled normal retirement after October 1, 1989 but prior to September 30, 1999, 2.00% of average monthly earnings times credited service;

(iii) for those employees who have fulfilled normal retirement on or after October 1, 1999 but prior to November 19, 2001, 2.50% of average monthly earnings times credited service;

(iv) for those employees who retire on or after November 20, 2001 but prior to October 1, 2018, 2.75% of average monthly earnings times credited service. For such employees who have earned in excess of twenty (20) years of credited service, the formula for determining monthly benefits is the years of credited service multiplied by the percentage of average monthly earnings, as provided in the following table:

General Plan Monthly Benefits

<u>Years of Credited Service</u>	<u>Multiplier Applied to all Service</u>
21	2.80%
22	2.85
23	2.90
24	2.95
25 or more	3.00

Source: City of Miramar, Florida Finance Department.

(2) For employees retiring after October 1, 2018, the normal retirement benefit shall be 3.25% of average monthly earnings times credited service for the first twenty (20) years of credited service and 3.00% of average monthly earnings times credited service earned in excess of twenty (20) years. The benefit is capped at 100% of average monthly earnings.

Benefits are paid in a single life annuity, unless optional forms of payments are elected. Eligibility for normal retirement is the earlier of age 65 and seven (7) years of credited service or twenty (20) years of credited service regardless of age. A member may elect early retirement at age 55 and seven (7) years of credited service, with benefits reduced by 6% for each year by which the early retirement date precedes what would have been the member's normal retirement date. No benefits will be paid to a member upon termination if the termination occurs prior to the completion of seven (7) years of credited service. The member, however, will receive his or her contribution to the General Plan, with interest set annually by the General Plan Trustees at a rate not to exceed 5.0%.

Any vested member who dies prior to commencement of benefits is eligible for survivor benefits. For members eligible for early, normal or delayed retirement, the benefit is calculated as though the member had retired on the date of death and had chosen the 10 Year Certain and Life Annuity option. For members who die with seven (7) or more years of credited service but before they are eligible for early retirement, a monthly benefit is computed as though the member survived until their early retirement date. The normal form of benefit is payable for ten (10) years. The beneficiary of a member who dies prior to being vested will receive a refund of the member's accumulated contributions, with interest. The beneficiary of a non-vested member may elect to utilize accumulated, unused leave toward credited service at the time of death in order to meet the minimum vesting requirements of the General Plan.

Deferred Retirement Option Plan. The deferred retirement option plan ("DROP") is available to all General Plan participants who have attained their normal retirement age. Upon electing to participate in the DROP, members are considered to have retired for pension purposes, but continue to remain in active employment with the City. The benefits accumulate in a DROP account and continue to accrue interest until the employee retires from the City, at which time DROP benefits will be paid. Maximum

duration of participation is five (5) years and the election to participate is irrevocable. The balance held by the General Plan at September 30, 2020 pursuant to the DROP was \$4,026,134.

Funding Policy, Contributions, Status and Progress. The General Plan is funded under the provisions of Chapter 15, Article V, of the City Code and Chapter 112, Florida Statutes. Funding arrangements include contributions by General Plan members, the City, and investment income from General Plan assets. Administrative costs of the General Plan are financed through investment earnings.

The General Plan provides for periodic City contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. City contributions for the Fiscal Year ended September 30, 2020 were \$4,563,783 or 24.13% of covered payroll for the General Plan. Contributions by General Plan members increased from 7.36% to 9.50% of an employee's compensation on November 28, 2018.

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Net Pension Liability. The City's net pension liability and related ratios for the General Plan for the Fiscal Years ended September 30, 2017 through 2020 were as follows:

General Plan Net Pension Liability⁽¹⁾

	<u>Fiscal Year Ended September 30</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability				
Service Cost	\$ 3,768,682	\$ 3,769,297	\$ 3,570,879	\$ 3,032,270
Interest	8,244,878	7,845,693	7,337,963	6,599,459
Changes of Benefit Terms	8,486,542	—	—	—
Differences between Actual and Expected Experience	3,630,739	(1,136,863)	682,375	3,361,733
Assumption Changes ⁽²⁾	(2,119,386)	—	—	1,693,006
Benefit Payments (including Refunds of Employee Contributions)	<u>(4,707,485)</u>	<u>(4,842,247)</u>	<u>(4,230,461)</u>	<u>(5,119,659)</u>
Net Change in Total Pension Liability	17,303,970	5,635,880	7,360,756	9,566,849
Total Pension Liability (Beginning of Year)	<u>116,369,030</u>	<u>110,733,150</u>	<u>103,372,394</u>	<u>93,805,545</u>
Total Pension Liability (End of Year) (a)	<u><u>\$133,673,000</u></u>	<u><u>\$116,369,030</u></u>	<u><u>\$110,733,150</u></u>	<u><u>\$103,372,394</u></u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 4,563,783	\$ 4,379,929	\$ 3,792,128	\$ 3,767,869
Contributions - Employees	2,176,302	1,749,136	1,812,841	1,966,498
Net Investment Income	4,954,431	10,247,911	9,374,839	7,507,462
Benefit Payments (including Refunds of Employee Contributions)	(4,707,485)	(4,842,247)	(4,230,461)	(5,119,659)
Administrative Expense	<u>(154,221)</u>	<u>(151,103)</u>	<u>(144,690)</u>	<u>(181,082)</u>
Net Change in Plan Fiduciary Net Position	6,832,810	11,383,626	10,604,657	7,941,088
Plan Fiduciary Net Position (Beginning of Year)	<u>105,239,663</u>	<u>93,856,037</u>	<u>83,251,380</u>	<u>75,310,292</u>
Plan Fiduciary Net Position (End of Year) (b)	<u><u>\$112,072,473</u></u>	<u><u>\$105,239,663</u></u>	<u><u>\$ 93,856,037</u></u>	<u><u>\$ 83,251,380</u></u>
City's Net Pension Liability (End of Year) (a) - (b)	\$ 21,600,527	\$ 11,129,367	\$ 16,877,113	\$ 20,121,014
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.84%	90.44%	84.76%	80.54%
Covered Employee Payroll	\$ 18,912,658	\$ 19,188,218	\$ 18,367,256	\$ 15,909,213
City's Net Position Liability as a Percentage of Covered-Employee Payroll	114.21%	58.00%	91.89%	126.47%

Source: City of Miramar, Florida Retirement Plan for General Employees GASB Statement No. 68 Disclosure Information for Reporting Year Ended September 30, 2020, dated August 27, 2020.

Footnotes for the immediately preceding table are provided on the next page.

- (1) Determined as of the actuarial valuation date for each Fiscal Year.
- (2) For a detailed description of the changes made in the assumptions for the General Plan, reference is made to the Comprehensive Annual Financial Report of the City of Miramar, Florida and the Actuarial Report for the General Plan for each of the years indicated, a copy of any of which may be obtained by contacting either the City's Department of Finance, 2300 Civic Center Place, Miramar, Florida 33025, telephone number: (954) 602-3050, email address: emailfinance@ci.miramar.fl.us, or the City's Financial Advisor, PFM Financial Advisors LLC, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone number: (407) 406-5760, email address: gloverj@pfm.com.

Pension Expense and Deferred Outflows and Inflows of Resources. For the Fiscal Year ended September 30, 2020, the City recognized a General Plan pension expense of \$10,986,915. For the General Plan, at September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

General Plan Outflow and Inflow of Resources

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$4,348,932	\$1,208,120
Assumption Changes	525,414	1,740,924
Net difference between projected and actual earnings on pension plan investments	<u>1,982,471</u>	<u>4,028,734</u>
Total	<u>\$6,856,817</u>	<u>\$6,977,778</u>

Source: City of Miramar, Florida Retirement Plan for General Employees GASB Statement No. 68 Disclosure Information for Reporting Year Ended September 30, 2020, dated August 27, 2020.

The deferred outflows of resources related to the General Plan, totaling \$4,563,783, resulting from City contributions to the General Plan subsequent to the measurement date, is recognized as a reduction of the net pension liability for the Fiscal Year ended September 30, 2020. Other amounts reported as General Plan deferred outflows of resources and as deferred inflows of resources related to pensions will be recognized in General Plan pension expense as follows:

General Plan Deferred Outfalls and Inflows

<u>Fiscal Year Ending September 30,</u>	
2021	\$(677,602)
2022	(139,630)
2023	(74,355)
2024	608,693
2025	161,933
Thereafter	<u>—</u>
Total	<u>\$(120,961)</u>

Source: City of Miramar, Florida Retirement Plan for General Employees GASB Statement No. 68 Disclosure Information for Reporting Year Ended September 30, 2020, dated August 27, 2020.

Investment Rate of Return. For the Fiscal Year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Police Officers' Retirement Plan

Plan Description. The City of Miramar Municipal Police Officers' Retirement Plan (the "Police Plan"), a single-employer defined benefit pension plan, was established pursuant to City Ordinance No. 80-21, as amended, which amended Chapter 15, Article IV of the City Code, and by Florida Statutes, including Chapters 112 and 185. The Police Plan is classified as a fiduciary trust fund of the City and is administered by a Board of Trustees, which is composed of six (6) members (two (2) members appointed by the City Commission, three (3) regularly employed police officers of the City, upon the recommendation of a majority of the regularly employed police officers of the City, and one (1) member who is appointed by a majority of the other board members and approved by the City Commission) (the "Police Plan Trustees").

All police officers of the City are eligible to become members of the Police Plan. As of the valuation date for the Fiscal Year ended September 30, 2020, the annual covered payroll for eligible employees covered by the Police Plan was \$14,543,779. As of such valuation date, employee membership data related to the Police Plan was as follows:

Police Plan Employee Membership

Retirees and beneficiaries currently receiving benefits	89
Inactive employees entitled to but not yet receiving benefits	50
Active Employees	<u>172</u>
Total	<u>311</u>

Source: City of Miramar, Florida Municipal Police Officers' Retirement Plan Required Supplementary Information Under GASB Statement No. 68 for Reporting Year Ended September 30, 2020, dated February 26, 2021.

As stipulated by Chapter 15, Article IV, of the City Code, and by Florida Statutes, including Chapters 112 and 185, authority to establish and amend benefit provisions of the Police Plan rests with the City Commission. The Police Plan Trustees may make recommendations to the City Commission regarding changes to the Police Plan.

In June 2008, pursuant to Ordinance No. 08-20, the City Commission approved a new category of benefits, creating two (2) levels of membership for the Police Plan, Tier One membership and Tier Two membership.

Tier One members. Tier One members include all police officers hired prior to June 20, 2008. Tier One members may retire the earlier of the date on which they obtain twenty (20) years of credited service or age 55 and completion of ten (10) years of credited service. Normal retirement benefits for Tier One members are 3.25% of average monthly earnings per year times credited service up to a maximum benefit of 80% for participants retiring on or after October 1, 1994. For Tier One members with twenty

(20) or more years of credited service as of April 5, 1995 who remain employed as of October 1, 2004, there is no maximum benefit accrual. Effective as of October 1, 2007, any member retiring with twenty (20) or more years of credited service receives the maximum 80% of such member's average monthly earnings. However, after forty (40) years of credited service, the benefits of Tier One members shall commence at the rate of 2.0% of average monthly earnings per year.

Tier Two members. Tier Two members constitute police officers hired on or after June 10, 2008. Tier Two members may retire the earlier of the date on which they obtain twenty-five (25) years of credited service or age 55 and completion of ten (10) years of credited service. Normal retirement benefits for Tier Two members are 3.0% of average monthly earnings times credited service, subject to a maximum of 75% of average monthly earnings. After 37.5 years of credited service, benefits shall commence at a rate of 2.0% of such police officer's average monthly earnings per year.

Effective October 1, 2001, an annual 2.0% cost of living adjustment ("COLA") was created for all Tier One retirees and DROP participants who were active employees on or after October 1, 2001, including DROP participants who had entered the DROP prior to October 1, 2001. COLA payments shall commence five (5) years after retirement or entry into the DROP. Tier Two members are not eligible for COLA.

If a Police Plan member dies before becoming eligible for any retirement benefits, the beneficiary will receive a refund, including interest, of the deceased member's contributions to the retirement fund. If ten (10) years of creditable service was attained, the accrued benefit of the deceased member is due to the surviving spouse, payable for ten (10) years certain. If a member who has met the eligibility requirement for normal retirement dies prior to actual retirement, the spouse can opt for an actuarially equivalent benefit payable for ten (10) years certain and for the life of the member thereafter. Disability benefits are based on the accrued benefit and are due to the member as of the disability retirement date. The minimum benefit is 66.67% if the disability occurred in the line of duty; otherwise, the minimum benefit after completion of ten (10) years of credited service would be the greater of the accrued benefit or 25% of the disabled officer's average monthly earnings per year.

Both Tier One and Tier Two Police Plan members are required to contribute 13.40% of their basic annual compensation on a pick-up basis. Pursuant to Florida Statutes Chapter 185, premium taxes on casualty insurance contracts are collected by the State and remitted to the Police Plan. The amount collected from such premium taxes totaled \$1,231,452 for the Fiscal Year ended September 30, 2020. This amount was recognized as an expenditure and revenue in the General Fund. However, such amount is not included in Non-Ad Valorem Revenues and, therefore, is not available as a source of funds from which debt service on the Series 2021 Bonds may be paid. The City is expected to contribute, after offset by the allowable State contribution, such additional amounts as are necessary on an actuarial basis to fund the Police Plan's current service costs and to provide for benefits under the Police Plan not met by member contributions. City contributions for the Fiscal Year ended September 30, 2020, determined using the actuarial valuation for the Fiscal Year ended September 30, 2019, were \$9,846,084 or 67.70% of covered payroll for the Police Plan.

Deferred Retirement Option Plan. The DROP is available to all Police Plan participants who have attained their normal retirement age. Upon electing to participate in the DROP, members are considered to have retired for pension purposes, but continue to remain in active employment with the City. The benefits accumulate in a DROP account and continue to accrue interest until the employee retires from the City, at which time DROP benefits will be paid. Maximum duration of participation is eight (8) years and the election to participate is irrevocable. The balance held by the Police Plan at September 30, 2020 pursuant to the DROP, determined using the actuarial valuation for the Fiscal Year ended September 30, 2019, was \$44,202,217.

Net Pension Liability. The City's net pension liability and related ratios for the Police Plan for the Fiscal Years ended September 30, 2017 through 2020 were as follows:

Police Plan Net Pension Liability⁽¹⁾

	Fiscal Year Ended September 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability				
Service Cost	\$ 4,753,171	\$ 4,712,293	\$ 4,638,937	\$ 4,289,372
Interest	17,765,393	17,007,515	15,723,277	14,283,076
Changes of Benefit Terms	—	—	—	—
Differences between Actual and Expected Experience	3,429,985	4,426,169	7,549,752	(4,524,095)
Assumption Changes ⁽²⁾	(7,316,988)	—	—	1,484,086
Benefit Payments (including Refunds of Employee Contributions)	<u>(7,328,077)</u>	<u>(6,765,640)</u>	<u>(6,265,313)</u>	<u>(5,529,606)</u>
Net Change in Total Pension Liability	11,303,484	19,380,337	21,646,653	10,002,833
Total Pension Liability (Beginning of Year)	<u>256,589,199</u>	<u>237,208,862</u>	<u>215,562,209</u>	<u>205,559,376</u>
Total Pension Liability (End of Year) (a)	<u><u>\$267,892,683</u></u>	<u><u>\$256,589,199</u></u>	<u><u>\$237,208,862</u></u>	<u><u>\$215,562,209</u></u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 10,031,170	\$ 9,943,770	\$ 8,671,513	\$ 8,154,753
Contributions - Employees (including buybacks)	2,531,825	2,808,627	2,817,974	2,475,797
Net Investment Income	5,916,882	12,387,268	18,534,179	11,010,659
Benefit Payments (including Refunds of Employee Contributions)	(7,328,077)	(6,765,640)	(6,265,313)	(5,529,606)
Administrative Expense	<u>(187,532)</u>	<u>(205,140)</u>	<u>(179,210)</u>	<u>(273,577)</u>
Net Change in Plan Fiduciary Net Position	10,964,268	18,168,885	23,579,143	15,838,026
Plan Fiduciary Net Position (Beginning of Year)	<u>178,179,631</u>	<u>160,010,746</u>	<u>136,431,603</u>	<u>120,593,577</u>
Plan Fiduciary Net Position (End of Year) (b)	<u><u>\$189,143,899</u></u>	<u><u>\$178,179,631</u></u>	<u><u>\$160,010,746</u></u>	<u><u>\$136,431,603</u></u>
City's Net Pension Liability (End of Year) (a) - (b)	\$ 78,748,784	\$ 78,409,568	\$ 77,198,116	\$ 79,130,606
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.60%	69.44%	67.46%	63.29%
Covered Employee Payroll	\$ 14,543,779	\$ 14,289,472	\$ 12,476,703	\$ 13,104,019
City's Net Position Liability as a Percentage of Covered-Employee Payroll	541.46%	548.72%	618.74%	603.87%

Source: City of Miramar, Florida Municipal Police Officers' Retirement Plan Required Supplementary Information Under GASB Statement No. 68 for Reporting Year Ended September 30, 2020, dated February 26, 2021.

Footnotes for the immediately preceding table are provided on the next page.

- (1) Determined as of the actuarial valuation date for each Fiscal Year.
- (2) For a detailed description of the changes made in the assumptions for the Police Plan, reference is made to the Comprehensive Annual Financial Report of the City of Miramar, Florida and the Actuarial Report for the Police Plan for each of the years indicated, a copy of any of which may be obtained by contacting either the City's Department of Finance, 2300 Civic Center Place, Miramar, Florida 33025, telephone number: (954) 602-3050, email address: emailfinance@ci.miramar.fl.us, or the City's Financial Advisor, PFM Financial Advisors LLC, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone number: (407) 406-5760, email address: gloverj@pfm.com.

Pension Expense and Deferred Outflows and Inflows of Resources. For the Fiscal Year ended September 30, 2020, the City recognized a Police Plan pension expense of \$9,130,116. For the Police Plan, at September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Police Plan Outflow and Inflow of Resources

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$2,032,123	\$1,792,167
Assumption Changes	265,015	—
Net difference between projected and actual earnings on pension plan investments	<u>3,538,942</u>	<u>2,438,341</u>
Total	<u>\$5,836,080</u>	<u>\$4,230,508</u>

Source: City of Miramar, Florida Municipal Police Officers' Retirement Plan Required Supplementary Information Under GASB Statement No. 68 for Reporting Year Ended September 30, 2020, dated February 26, 2021.

The deferred outflows of resources related to the Police Plan, totaling \$8,813,360, resulting from City contributions to the Police Plan subsequent to the measurement date, is recognized as a reduction of the net pension liability for the Fiscal Year ended September 30, 2020. Other amounts reported as Police Plan deferred outflows of resources and as deferred inflows of resources related to pensions will be recognized in Police Plan pension expense as follows:

Police Plan Deferred Outfalls and Inflows

<u>Fiscal Year Ending September 30,</u>	
2020	\$ (586,901)
2021	80,072
2022	2,128,362
2023	2,325,193
2024	978,723
Thereafter	<u>(224,129)</u>
Total	<u>\$4,701,320</u>

Source: City of Miramar, Florida Municipal Police Officers' Retirement Plan Required Supplementary Information Under GASB Statement No. 68 for Reporting Year Ended September 30, 2020, dated February 26, 2021.

Investment Rate of Return. For the Fiscal Year ended September 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Retirement Plan

Plan Description. The City of Miramar Firefighters' Retirement Plan (the "Firefighter Plan"), a single-employer defined benefit pension plan, was established pursuant to City Ordinance No. 80-21, as amended, which amended Chapter 15, Article III of the City Code, and by Florida Statutes, including Chapters 112 and 175. The Firefighter Plan is classified as a fiduciary trust fund of the City and is administered by a Board of Trustees, which is composed of five (5) members (two (2) legal residents appointed by the City Commission, two (2) regularly employed firefighters of the City elected by a majority of the firefighters who are active members of the Firefighter Plan, and one (1) member who is chosen by a majority of the other board members and approved by the City Commission) (the "Firefighter Plan Trustees").

All firefighters of the City are eligible to become members of the Firefighter Plan. As of the valuation date for the Fiscal Year ended September 30, 2020, the annual covered payroll for eligible employees covered by the Firefighter Plan was \$10,246,842. As of such valuation date, employee membership data related to the Firefighter Plan was as follows:

Firefighter Plan Employee Membership

Retirees and beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	2
Active Employees	<u>147</u>
Total	<u>196</u>

Source: City of Miramar, Florida Firefighters' Retirement Plan Required Supplementary Information Under GASB Statement No. 68 for Reporting Year Ended September 30, 2020, dated February 26, 2021.

As stipulated by Chapter 15, Article III, of the City Code, and by Florida Statutes, including Chapters 112 and 175, authority to establish and amend benefit provisions of the Firefighter Plan rests with the City Commission. The Firefighter Plan Trustees may make recommendations to the City Commission regarding changes to the Firefighter Plan.

Benefits of the Firefighter Plan are calculated using the average monthly earnings of the firefighter over the highest three (3) consecutive years of service preceding the date of retirement (the "AFC"). For each year of credited service, monthly benefits shall be earned at the rate of 3.0% of the member's AFC, subject to a maximum accrual of 80% of the AFC. Benefits are paid for ten (10) years certain and for the life of the member of the Firefighter Plan thereafter.

Eligibility for normal retirement is the earlier of age 55 and ten (10) years of credited service or the completion of twenty-five (25) years of credited service regardless of age. No benefits will be paid to a member upon termination if termination occurs prior to the completion of ten (10) years of service.

However, upon such termination, the member will receive his or her contribution to the Firefighter Plan, with 5.5% interest.

If a Firefighter Plan member dies in the line of duty, benefits are payable to the surviving spouse equal to the greater of the accrued benefit at the date of death or 75% of AFC at the date of death, adjusted as if the participant had retired on the date of death and had elected a joint and 100% survivor benefit. If there is no surviving spouse, then two-thirds of the full benefit will be paid without the survivor benefit adjustment to the surviving children under age 21 in equal parts. If death is not in the line of duty, the designated beneficiary will receive the Firefighter Plan participant's contributions accumulated with 5.5% interest. If the participant was vested, the beneficiary will be paid the Firefighter Plan participant's accrued benefit, adjusted as if the participant had retired on the date of death and had elected a joint and 100% survivor benefit. Disability benefits are based on the accrued benefit and are due to the Firefighter Plan member as of the disability retirement date. The minimum benefit would be the greater of the accrued benefit or 66.67% of AFC as of the date of disability if the disability occurred in the line of duty; otherwise, the minimum benefit after completion of ten (10) years of credited service would be the greater of the accrued benefit or 30% of AFC as of the date of disability.

Funding Policy, Contributions, Status and Progress. Firefighter Plan members are required to contribute 8.47% of their base salaries or wages on a monthly basis. If a member terminates his or her employment before accumulating an aggregate time of ten (10) years toward retirement, the accumulated contributions will be returned to such member with 5.5% interest. Pursuant to Florida Statutes Chapter 175, contributions from the State of Florida Department of Insurance consist of a 1.85% excise tax on certain property insurance companies, on the premiums collected on property insurance policies covering property within the City, is collected by the State and remitted to the Firefighter Plan. The amount remitted to the City from such excise tax totaled \$1,160,486 for the Fiscal Year ended September 30, 2020. This amount was recognized as an expenditure and revenue in the General Fund. However, such amount is not included in Non-Ad Valorem Revenues and, therefore, is not available as a source of funds from which debt service on the Series 2021 Bonds may be paid.

The City is expected to contribute, after offset by the allowable State contribution, such additional amounts as are necessary on an actuarial basis to fund the Firefighter Plan's current service costs and to provide for benefits under the Firefighter Plan not met by member contributions. City contributions for the Fiscal Year ended September 30, 2020, determined using the actuarial valuation for the Fiscal Year ended September 30, 2019, were \$7,063,958 or 68.94% of covered payroll for the Firefighter Plan.

Deferred Retirement Option Plan. The DROP is available to all Firefighter Plan participants who have attained their normal retirement age. Upon electing to participate in the DROP, members are considered to have retired for pension purposes, but continue to remain in active employment with the City. The benefits accumulate in a DROP account and continue to accrue interest until the employee retires from the City, at which time DROP benefits will be paid. Maximum duration of participation is five (5) years and the election to participate is irrevocable. The balance held by the Firefighter Plan at September 30, 2020 pursuant to the DROP, determined using the actuarial valuation for the Fiscal Year ended September 30, 2019, was \$22,150,243.

Net Pension Liability. The City's net pension liability and related ratios for the Firefighter Plan for the Fiscal Years ended September 30, 2017 through 2020 were as follows:

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Firefighter Plan Net Pension Liability⁽¹⁾

	Fiscal Year Ended September 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability				
Service Cost	\$ 4,084,422	\$ 3,955,543	\$ 3,771,029	\$ 3,646,542
Interest	14,871,566	14,174,095	13,003,307	12,041,077
Changes of Benefit Terms	—	—	—	—
Differences between Actual and Expected Experience	4,938,169	4,918,614	2,323,495	(63,099)
Assumption Changes ⁽²⁾	(8,567,703)	—	—	1,354,378
Benefit Payments (including Refunds of Employee Contributions)	<u>(4,443,793)</u>	<u>(4,886,434)</u>	<u>(5,417,407)</u>	<u>(3,361,511)</u>
Net Change in Total Pension Liability	10,882,661	18,161,818	13,680,424	13,617,387
Total Pension Liability (Beginning of Year)	<u>214,217,955</u>	<u>196,056,137</u>	<u>182,375,713</u>	<u>168,758,326</u>
Total Pension Liability (End of Year) (a)	<u><u>\$225,100,616</u></u>	<u><u>\$214,217,955</u></u>	<u><u>\$196,056,137</u></u>	<u><u>\$182,375,713</u></u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 7,360,286	\$ 7,877,780	\$ 6,838,126	\$ 5,935,050
Contributions - Employees	1,336,596	2,777,837	3,724,060	1,268,018
Net Investment Income	6,129,591	13,833,470	15,252,940	9,476,199
Benefit Payments (including Refunds of Employee Contributions)	(4,443,793)	(4,886,434)	(5,417,407)	(3,361,511)
Administrative Expense	<u>(180,930)</u>	<u>(174,259)</u>	<u>(199,195)</u>	<u>(191,933)</u>
Net Change in Plan Fiduciary Net Position	10,201,750	19,428,394	20,198,524	13,125,823
Plan Fiduciary Net Position (Beginning of Year)	<u>157,074,650</u>	<u>137,646,256</u>	<u>117,447,732</u>	<u>104,321,909</u>
Plan Fiduciary Net Position (End of Year) (b)	<u><u>\$167,276,400</u></u>	<u><u>\$157,074,650</u></u>	<u><u>\$137,646,256</u></u>	<u><u>\$117,447,732</u></u>
City's Net Pension Liability (End of Year) (a) - (b)	\$ 57,824,216	\$ 57,143,305	\$ 58,409,881	\$ 64,927,981
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.31%	73.32%	70.21%	64.40%
Covered Employee Payroll	\$ 10,246,842	\$ 11,034,456	\$ 11,648,795	\$ 11,443,779
City's Net Position Liability as a Percentage of Covered-Employee Payroll	564.31%	517.86%	501.42%	567.36%

Source: City of Miramar, Florida Firefighters' Retirement Plan Required Supplementary Information Under GASB Statement No. 68 for Reporting Year Ended September 30, 2020, dated February 26, 2021.

Footnotes for the immediately preceding table are provided on the next page.

- (1) Determined as of the actuarial valuation date for each Fiscal Year.
- (2) For a detailed description of the changes made in the assumptions for the Firefighter Plan, reference is made to the Comprehensive Annual Financial Report of the City of Miramar, Florida and the Actuarial Report for the Firefighter Plan for each of the years indicated, a copy of any of which may be obtained by contacting either the City's Department of Finance, 2300 Civic Center Place, Miramar, Florida 33025, telephone number: (954) 602-3050, email address: emailfinance@ci.miramar.fl.us, or the City's Financial Advisor, PFM Financial Advisors LLC, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone number: (407) 406-5760, email address: gloverj@pfm.com.

Pension Expense and Deferred Outflows and Inflows of Resources. For the Fiscal Year ended September 30, 2020, the City recognized a Firefighter Plan pension expense of \$7,025,851. For the Firefighter Plan, at September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Firefighter Plan Outflow and Inflow of Resources

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$1,499,131	\$ 122,613
Assumption Changes	169,297	984,794
Net difference between projected and actual earnings on pension plan investments	<u>2,383,628</u>	<u>2,581,369</u>
Total	<u>\$4,052,056</u>	<u>\$3,688,776</u>

Source: City of Miramar, Florida Firefighters' Retirement Plan Required Supplementary Information Under GASB Statement No. 68 for Reporting Year Ended September 30, 2020, dated February 26, 2021.

The deferred outflows of resources related to the Firefighter Plan, totaling \$6,289,566, resulting from City contributions to the Firefighter Plan subsequent to the measurement date, is recognized as a reduction of the net pension liability for the Fiscal Year ended September 30, 2020. Other amounts reported as Firefighter Plan deferred outflows of resources and as deferred inflows of resources related to pensions will be recognized in Firefighter Plan pension expense as follows:

Firefighter Plan Deferred Outfalls and Inflows

<u>Fiscal Year Ending September 30,</u>	
2020	\$(1,018,717)
2021	(609,530)
2022	753,298
2023	1,634,363
2024	487,382
Thereafter	(511,602)

Source: City of Miramar, Florida Firefighters' Retirement Plan Required Supplementary Information Under GASB Statement No. 68 for Reporting Year Ended September 30, 2020, dated February 26, 2021.

Investment Rate of Return. For the Fiscal Year ended September 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Management Retirement Plan

Plan Description. The City of Miramar Management Retirement Plan (the “Management Plan”), a single-employer defined benefit pension plan, was established in its present form pursuant to City Ordinance No. 80-21, as amended, which amended Chapter 15, Article VI of the City Code, and by Florida Statutes, including Chapters 112. The Management Plan is classified as a fiduciary trust fund of the City and is administered by a Board of Trustees, which is composed of five (5) members (the City Manager, three (3) senior management employees of the City elected by a majority of the active members of the Management Plan, and one (1) member selected by the City Commission) (the “Management Plan Trustees”).

All full-time management employees of the City are eligible to become a member of the Management Plan. As of the valuation date for the Fiscal Year ended September 30, 2020, the annual covered payroll for eligible employees covered by the Management Plan was \$12,482,538. As of such valuation date, employee membership data related to the Management Plan was as follows:

Management Plan Employee Membership

Retirees and beneficiaries currently receiving benefits	72
Inactive employees entitled to but not yet receiving benefits	13
Active Employees	<u>162</u>
Total	<u><u>247</u></u>

Source: City of Miramar, Florida Management Retirement Plan GASB Statement No. 68 Disclosure Information for Reporting Year Ended September 30, 2020, dated August 27, 2020.

As stipulated by Chapter 15, Article VI of the City Code, and by Florida Statutes, including Chapter 112, authority to establish and amend benefit provisions of the Management Plan rests with the City Commission. The Management Plan Trustees may make recommendations to the City Commission regarding changes in the provisions of the Management Plan. Benefits are calculated using the average monthly earnings over the highest three (3) consecutive years of service (the “FMC”). The formula for determining monthly benefits is the years of credited service multiplied by the percentage of average monthly earnings, as provided in the following table, subject to a maximum benefit equal to 80% of the FMC:

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Management Plan Monthly Benefits

<u>Years of Credited Service</u>	<u>Multiplier Applied to all Service</u>
5 or less	3.00%
6	3.20
7	3.40
8	3.60
9	3.80
10 or more	4.00

Source: City of Miramar, Florida Finance Department.

Benefits are paid in a one hundred percent (100%) joint and survivor annuity, unless optional forms of payments are elected. A Management Plan member may retire on the first day of the month following the earlier of (i) the date upon which a member completes twenty (20) years of credited service, regardless of age, (ii) the date upon which the member attains age 55 with ten (10) years of credited service, or (iii) the date upon which the member attains age 62 with five (5) years of credited service. A Management Plan member may elect early retirement at age 50 and ten (10) years of credited service, with benefits reduced by 5.0% for each year by which the early retirement date precedes age 55. No benefits will be paid to a member upon termination if the termination occurs prior to the completion of five (5) years of credited service. The member, however, will receive his or her contribution to the Management Plan, with interest set annually by the Management Plan Trustees at a rate not to exceed 6.0%.

Any vested member who dies prior to commencement of benefits is eligible for survivor benefits. For members eligible for early, normal or delayed retirement, the benefit is calculated as though the member had retired on the date of death and had chosen the 100% Joint and Survivor option. For members who die with sufficient accumulated sick, comp or vacation time to reach five (5) years of credited service, it will be presumed that the member completed five (5) years of credited service and the unused leave account will be reduced accordingly. The member's beneficiary will then be eligible for the survivor benefits described above. The beneficiary of a member of the Management Plan who dies with less than five (5) years of credited service will receive a refund of such the member's accumulated contributions, with interest.

Funding Policy, Contributions, Status and Progress. The Management Plan provides that each member shall contribute, beginning with the date of covered employment, 13.52% of the member's compensation on a monthly basis. For members also contributing to the General Plan, the contribution to the Management Plan will be reduced by the amount contributed to the General Plan. The City contributes an amount which, when combined with member contributions and investment return, is expected to be sufficient to maintain the Management Plan on a sound actuarial basis. City contributions for the Fiscal Year ended September 30, 2020, determined using the actuarial valuation for the Fiscal Year ended September 30, 2019, were \$3,096,794 or 24.81% of covered payroll for the Management Plan.

Deferred Retirement Option Plan. The DROP is available to all Management Plan participants who have attained their normal retirement age. Upon electing to participate in the DROP, members are considered to have retired for pension purposes, but continue to remain in active employment with the City. The benefits accumulate in a DROP account and continue to accrue interest until the employee retires from the City, at which time DROP benefits will be paid. Maximum duration of participation is five (5) years and the election to participate is irrevocable. The balance held by the Management Plan at September 30, 2020 pursuant to the DROP, determined using the actuarial valuation for the Fiscal Year ended September 30, 2019, was \$1,955,483.

Net Pension Liability. The City's net pension liability and related ratios for the Management Plan for the Fiscal Years ended September 30, 2017 through 2020 were as follows:

Management Plan Net Pension Liability⁽¹⁾

	Fiscal Year Ended September 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability				
Service Cost	\$ 3,430,497	\$ 2,991,499	\$ 2,934,694	\$ 2,518,825
Interest	4,446,680	4,081,975	3,749,864	3,203,741
Changes of Benefit Terms	—	—	85,811	—
Differences between Actual and Expected Experience	1,570,431	418,154	475,693	2,986,775
Assumption Changes ⁽²⁾	(700,830)	—	—	1,050,286
Benefit Payments (including Refunds of Employee Contributions)	<u>(2,958,864)</u>	<u>(2,482,229)</u>	<u>(2,634,637)</u>	<u>(2,112,824)</u>
Net Change in Total Pension Liability	5,787,914	5,009,399	4,611,425	7,646,803
Total Pension Liability (Beginning of Year)	<u>61,572,939</u>	<u>56,563,540</u>	<u>51,952,115</u>	<u>44,305,312</u>
Total Pension Liability (End of Year) (a)	<u><u>\$67,360,853</u></u>	<u><u>\$61,572,939</u></u>	<u><u>\$56,563,540</u></u>	<u><u>\$51,952,115</u></u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 3,096,794	\$ 3,111,065	\$ 2,496,156	\$ 2,099,470
Contributions - Employees	2,014,369	1,762,120	2,498,920	2,376,288
Net Investment Income	2,105,759	4,214,420	3,767,761	2,706,817
Benefit Payments (including Refunds of Employee Contributions)	(2,958,864)	(2,482,229)	(2,634,637)	(2,112,824)
Administrative Expense	<u>(109,268)</u>	<u>(98,630)</u>	<u>(114,287)</u>	<u>(152,658)</u>
Net Change in Plan Fiduciary Net Position	4,148,790	6,506,746	6,013,913	4,917,093
Plan Fiduciary Net Position (Beginning of Year)	<u>43,803,745</u>	<u>37,296,999</u>	<u>31,283,086</u>	<u>26,365,993</u>
Plan Fiduciary Net Position (End of Year) (b)	<u><u>\$47,952,535</u></u>	<u><u>\$43,803,745</u></u>	<u><u>\$37,296,999</u></u>	<u><u>\$31,283,086</u></u>
City's Net Pension Liability (End of Year) (a) - (b)	\$19,408,318	\$17,769,194	\$19,266,541	\$20,669,029
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.19%	71.14%	65.94%	60.22%
Covered Employee Payroll	\$12,482,538	\$11,053,089	\$10,962,290	\$ 9,585,631
City's Net Position Liability as a Percentage of Covered-Employee Payroll	155.48%	160.76%	175.75%	215.63%

Source: City of Miramar, Florida Management Retirement Plan GASB Statement No. 68 Disclosure Information for Reporting Year Ended September 30, 2020, dated August 27, 2020.

Footnotes for the immediately preceding table are provided on the next page.

- (1) Determined as of the actuarial valuation date for each Fiscal Year.
- (2) For a detailed description of the changes made in the assumptions for the Management Plan, reference is made to the Comprehensive Annual Financial Report of the City of Miramar, Florida and the Actuarial Report for the Management Plan for each of the years indicated, a copy of any of which may be obtained by contacting either the City's Department of Finance, 2300 Civic Center Place, Miramar, Florida 33025, telephone number: (954) 602-3050, email address: emailfinance@ci.miramar.fl.us, or the City's Financial Advisor, PFM Financial Advisors LLC, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone number: (407) 406-5760, email address: gloverj@pfm.com.

Pension Expense and Deferred Outflows and Inflows of Resources. For the Fiscal Year ended September 30, 2020, the City recognized a Management Plan pension expense of \$3,846,715. For the Management Plan, at September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Management Plan Outflow and Inflow of Resources

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$2,943,657	\$ —
Assumption Changes	361,574	568,598
Net difference between projected and actual earnings on pension plan investments	<u>825,607</u>	<u>1,670,537</u>
Total	<u>\$4,130,838</u>	<u>\$2,239,135</u>

Source: City of Miramar, Florida Management Retirement Plan GASB Statement No. 68 Disclosure Information for Reporting Year Ended September 30, 2020, dated August 27, 2020.

The deferred outflows of resources related to the Management Plan, totaling \$3,096,794, resulting from City contributions to the Management Plan subsequent to the measurement date, is recognized as a reduction of the net pension liability for the Fiscal Year ended September 30, 2020. Other amounts reported as Management Plan deferred outflows of resources and as deferred inflows of resources related to pensions will be recognized in Management Plan pension expense as follows:

Management Plan Deferred Outfalls and Inflows

<u>Fiscal Year Ending September 30,</u>	
2021	\$ 569,019
2022	584,399
2023	280,573
2024	408,491
2025	49,221
Thereafter	<u>—</u>
Total	<u>\$1,891,703</u>

Source: City of Miramar, Florida Management Retirement Plan GASB Statement No. 68 Disclosure Information for Reporting Year Ended September 30, 2020, dated August 27, 2020.

Investment Rate of Return. For the Fiscal Year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Excess Benefit Plan

Plan Description. Under Ordinance No. 01-43, effective September 5, 2001, the City Commission created a separate, unfunded, nonqualified excess benefit retirement plan, containing the terms and provisions set forth in Chapter 15, Section 15-341 of the City Code (the “Excess Benefit Plan”). The Excess Benefit Plan was established to be a qualified governmental excess benefit arrangement, as defined in Section 415(m)(3) of the Internal Revenue Code.

Excess Benefit Plan Participants. Any member of any of the Pension Plans whose retirement benefit, as determined on the basis of all qualified plans maintained by the City without regard to the limitations set forth in the Internal Revenue Code and comparable provisions of other qualified plans of the City, exceeds the maximum benefit under Section 415 of the Internal Revenue Code, is eligible to participate. As of the valuation date for the Fiscal Year ended September 30, 2020, there were six (6) members participating in the Excess Benefit Plan.

Benefits Provided. An Excess Benefit Plan participant will be eligible to receive payments from the Excess Benefit Plan after termination of employment, as an unrestricted benefit on a monthly basis as would be received under the terms of one of the qualified plans of the City, that otherwise would have been paid in the absence of the limitations contained in Section 415 of the Internal Revenue Code.

Funding Policy. The City cannot advance fund assets, or any benefit currently payable under the Excess Benefit Plan, and any assets held by the Excess Benefit Plan during any period can only pay benefits coming due or the expenses of the Excess Benefit Plan during the period indicated. Contributions by the City are not allowed to accumulate from year to year for purposes of advance funding of any of the liabilities of the Excess Benefit Plan. The City recorded a liability in the amount of \$1,039,527 in its government-wide financial statements that represents the total pension liability of the Excess Benefit Plan as of the valuation date for the Fiscal Year ended September 30, 2020. The City cannot restrict any assets, including cash, for the purpose of providing funding for these benefits. However, in the past the City has honored, and expects to continue to honor, its obligation to pay benefits under the Excess Benefit Plan, as they become payable, from the annual budgeted funds of the City.

Actuarial Assumptions. The total pension liability for the Excess Benefit Plan was determined by an actuarial valuation as of the Fiscal Year ended September 30, 2020, using the actuarial assumptions described in the CAFR. See “FINANCIAL STATEMENTS” herein and “APPENDIX B - Excerpts from Comprehensive Annual Financial Report of the City of Miramar, Florida for the Fiscal Year ended September 30, 2020,” particularly, Note 10 of the Notes to the Financial Statements and the information relating to the Pension Plans provided in the Required Supplementary Information. The valuation of the Excess Benefit Plan liability is based on calculations of the split between the members’ qualified and non-qualified distributions and assumes a 2.5% increase for annual increases in the Internal Revenue Code Section 415(b) dollar limit to anticipate future changes in the split, which is also the assumed inflation rate.

Projected benefit payments are discounted to their actuarial present values using a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The discount rate used to measure the total Excess Benefit Plan pension obligation was 2.75%.

Total Pension Liability. The City's total pension liability and related ratios for the Excess Benefit Plan for the Fiscal Years ended September 30, 2017 through 2020 were as follows:

Excess Benefit Plan Total Pension Liability⁽¹⁾⁽²⁾

	Fiscal Year Ended September 30			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability				
Service Cost	\$ —	\$ —	\$ —	\$ —
Interest	37,624	42,405	30,915	38,186
Changes of Benefit Terms	—	—	—	—
Differences between Actual and Expected Experience	25,344	(111,014)	342,859	—
Assumption Changes ⁽³⁾	62,425	(20,574)	(36,698)	47,096
Benefit Payments (including Refunds of Employee Contributions)	<u>(136,410)</u>	<u>(143,691)</u>	<u>(127,924)</u>	<u>(80,569)</u>
Net Change in Total Pension Liability	(11,017)	(232,874)	209,152	4,713
Total Pension Liability (Beginning of Year)	<u>1,050,544</u>	<u>1,283,418</u>	<u>1,074,266</u>	<u>1,069,553</u>
Total Pension Liability (End of Year)	<u>\$1,039,527</u>	<u>\$1,050,544</u>	<u>\$1,283,418</u>	<u>\$1,074,266</u>
Covered Employee Payroll	N/A	N/A	N/A	N/A
City's Total Position Liability as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A

Source: City of Miramar, Florida Excess Benefit Plan GASB Statement No. 73 Disclosure Information for Reporting Year Ended September 30, 2020, dated October 22, 2020.

- (1) Table is presented to illustrate GASB Statement No. 73 reporting information. The Excess Benefit Plan is not funded in a GASB qualifying trust.
- (2) Determined as of the actuarial valuation date for each Fiscal Year.
- (3) For a detailed description of the changes made in the assumptions for the Excess Benefit Plan, reference is made to the Comprehensive Annual Financial Report of the City of Miramar, Florida and the Actuarial Report for the Excess Benefit Plan for each of the years indicated, a copy of any of which may be obtained by contacting either the City's Department of Finance, 2300 Civic Center Place, Miramar, Florida 33025, telephone number: (954) 602-3050, email address: emailfinance@ci.miramar.fl.us, or the City's Financial Advisor, PFM Financial Advisors LLC, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone number: (407) 406-5760, email address: gloverj@pfm.com.

Pension Expense and Deferred Outflows and Inflows of Resources. For the Fiscal Year ended September 30, 2020, the City recognized an Excess Benefit Plan pension expense of \$125,393. For the Excess Benefit Plan, at September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Excess Benefit Plan Outflow and Inflow of Resources

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ —	\$ —
Assumption Changes	—	—
Employer contributions made subsequent to the measurement date	<u>141,954</u>	<u>—</u>
Total	<u>\$141,954</u>	<u>\$ —</u>

Source: City of Miramar, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2020.

The deferred outflow of resources related to the Excess Benefit Plan, totaling \$141,954, resulting from City contributions to the Excess Benefit Plan subsequent to the measurement date, is recognized as a reduction of the total pension liability for the Fiscal Year ended September 30, 2020.

Defined Contribution Plan

Plan Description. The City provides pension benefits for certain appointed employees through a money purchase plan (the “Defined Contribution Plan”). The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until the time of withdrawal. The Defined Contribution Plan is administered by International City Managers Association (“ICMA”). The Defined Contribution Plan was established pursuant to Resolution No. 88-104 adopted by the City Commission on May 16, 1988.

Benefit Provisions and Contribution Rates. Defined Contribution Plan benefits depend solely on amounts contributed to the plan, plus investment earnings, less administrative expenses. The City’s contribution for employees covered under the Defined Contribution Plan is 11.0% of covered payroll. Vesting in the Defined Contribution Plan is immediate. There are no unfunded liabilities of the Defined Contribution Plan at the end of the year, as all contributions are remitted biweekly to ICMA. During Fiscal Year 2020, the City contributed \$189,542 to the Defined Contribution Plan. The City’s contributions were calculated using a covered base payroll of \$1,723,114 for the Fiscal Year. At September 30, 2020, there were seventeen (17) participants in the Defined Contribution Plan.

Florida Retirement System

The City provides retirement benefits to elected officials through the Florida Retirement System (the “FRS”). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan.

Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy Program (the “HIS”), a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state administered retirement system in paying the costs of health insurance. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and

consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services at the website address: www.dms.myflorida.com.

The City's pension expense for the FRS and the HIS totaled \$224,779 for the Fiscal Year ended September 30, 2020.

Additional Information

For more detailed information relating to the Pension Plans, including, without limitation, a description of the actuarial methods and assumptions used to determine annual required contributions, see "APPENDIX B - Excerpts from Comprehensive Annual Financial Report of the City of Miramar, Florida for the Fiscal Year ended September 30, 2020" and, in particular, Note 10 of the Notes to the Financial Statements and the information relating to the Pension Plans provided in the Required Supplementary Information.

Each of the Pension Plans issues a publicly available financial report that includes financial statements and required supplementary information. Such report and other documents and information relating to the Pension Plans may be obtained by contacting either the City's Department of Finance, 2300 Civic Center Place, Miramar, Florida 33025, telephone number: (954) 602-3050, email address: emailfinance@ci.miramar.fl.us, or the administrators for the respective Pension Plans as follows:

General Plan

City of Miramar Pension Trust for
General Employees
Benefits USA, Inc.
3810 Inverrary Boulevard, Suite 303
Lauderhill, Florida 33319
Telephone: (954) 730-2068, Ext. 202
(800) 452-2454, Ext. 202
Fax: (954) 730-0738
Email: althea@benefits-usa.org

Police Plan

City of Miramar Police Officers' Retirement
Plan and Trust
FHA-TPA Benefit Administration
6861 S.W. 196th Avenue, Suite 402
Fort Lauderdale, Florida 33332
Telephone: (954) 366-0111, Ext. 309
(800) 707-0501
Fax: (954) 366-0133
Email: doug@fhatpa.com or
servicefha@fhatpa.com

Firefighters' Plan

City of Miramar Firefighters' Retirement Plan
4360 Northlake Boulevard, Suite 206
Palm Beach Gardens, Florida 33401
Telephone: (561) 624-3277
(561) 459-2966
Fax: (561) 624-3278
Email: denise@resourcecenters.com or
clientservices@resourcecenters.com

Management Plan

City of Miramar Management Retirement Plan
FHA-TPA Benefit Administration
6861 S.W. 196th Avenue, Suite 402
Fort Lauderdale, Florida 33332
Telephone: (954) 366-0111, Ext. 309
(800) 707-0501
Fax: (954) 366-0133
Email: doug@fhatpa.com or
servicefha@fhatpa.com

Other Post Employment Benefits

General

In accordance with Section 112.0801, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. In June 2015, GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("GASB 75") replaced the requirements of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," as amended, and GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans." The objective of GASB 75 is to improve the financial reporting by state and local governments for postemployment benefits other than pensions ("OPEB"). The provisions of GASB 75 were effective beginning with the financial statements of the City for the Fiscal Year ended September 30, 2018. While GASB 75 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded.

Plan Description

The City is a single-employer provider with multiple defined benefit healthcare plans (the "OPEB Plans"). The City provides medical and dental insurance benefits for retirees and their spouses. The plans have no assets and do not issue separate financial statements. The benefits provided vary according to the category of employees as follows:

General Employees. For general employees of the City, retirees are eligible for a monthly stipend in the amount of \$10 for each year of credited service to a maximum of \$250 per month. The stipend is paid to retirees covered under the City's medical plan and ceases at age 62, at which time the City begins paying the full premiums for the retiree (not dependents) coverage until attaining age 65. During this period, each retiree has the option, at his or her own expense, to carry dependent group coverage at the City's group rates. After attaining age 65, the retirees and their dependents are permitted to remain covered under the City's respective medical plans as long as they pay a full premium applicable to the coverage elected at the same group rates charged to the City's active employees. Such arrangement conforms to the minimum required of Florida government employers per Section 112.0801, Florida Statutes. Other than the coverage provisions mandated by the State, the provisions of the City's OPEB Plan for its general employees may be amended through negotiations between the City and the general employees bargaining unit.

Unrepresented Employees. Retirees are eligible for a monthly stipend in the amount of \$10 for each year of credited service to a maximum of \$250 per month. The stipend will cease on the 65th birthday of the retiree.

Unrepresented employees who are considered executive staff receive a year of health insurance at no cost for the retiree's coverage, with a 50% discount for dependent coverage, for each 1.75 years of service with the City rendered through June 6, 2008. To be eligible for this benefit, a retiree must have accrued at least three (3) years of service with the City as of June 6, 2008 and be covered under the City plan at the time of retirement. Cash equivalent payments in lieu of the free/discounted coverage are also available with proof of other coverage. After expiration of this benefit, but not beyond the participant's 65th birthday, a retiree will be eligible for a stipend as described above for unrepresented employees.

Police Retirees are eligible for a monthly stipend in the amount of \$20 for each year of credited service to a maximum of \$400 per month. The provisions of this plan may be amended through negotiations between the City and the police bargaining unit.

Firefighters. Retirees are eligible for a monthly health insurance stipend which is paid by the Firefighters Plan. The provisions of this plan may be amended through negotiations between the City and the firefighters bargaining unit.

Funding Policy. OPEB is a contractual obligation of the City and is funded each year in the City's operating budget on a pay-as-you-go basis. The health insurance coverage was established pursuant to Resolution No. 90-27 adopted by the City Commission on October 16, 1989. As of the valuation date for the Fiscal Year ended September 30, 2020, the estimated annual payroll for eligible employees covered by the OPEB Plan was \$55,343,089. As of such valuation date, employee membership data related to the OPEB Plan was as follows:

OPEB Plan Employee Membership

Retirees and beneficiaries currently receiving benefits	136
Inactive employees entitled to but not yet receiving benefits	3
Active Employees	<u>805</u>
Total	<u>944</u>

Source: City of Miramar, Florida GASB Statement No. 75 Other Post-Employment Benefits Actuarial Roll-Forward for Fiscal Year Ended September 30, 2020, dated October 16, 2020.

Actuarial Assumptions. The total pension liability for the OPEB Plan was determined by an actuarial valuation as of the Fiscal Year ended September 30, 2020, using the actuarial assumptions described in the CAFR. See "FINANCIAL STATEMENTS" herein and "APPENDIX B - Excerpts from Comprehensive Annual Financial Report of the City of Miramar, Florida for the Fiscal Year ended September 30, 2020," particularly, Note 11 of the Notes to the Financial Statements and the information relating to the Pension Plans provided in the Required Supplementary Information. Among other assumptions, the valuation of the OPEB Plan liability for the Fiscal Year ended September 30, 2020 assumes a 2.5% inflation rate and a change in the discount rate from 3.83% to 2.75% to reflect changes in the yields on 20 year general obligation municipal bonds between September 30, 2018 and September 30, 2019.

Total Pension Liability. The City's total liability and related ratios for its OPEB Plan for the Fiscal Years ended September 30, 2018 through 2020, in accordance with GASB 75, were as follows:

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OPEB Plan Total Liability⁽¹⁾

	<u>Fiscal Year Ended September 30</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 1,985,639	\$ 2,437,784	\$ 2,328,296
Interest	1,592,005	1,661,617	1,569,089
Changes of Benefit Terms	30,047	213,958	—
Differences between Actual and Expected Experience	—	(2,624,313)	—
Assumption Changes ⁽²⁾	5,125,750	(5,680,947)	—
Benefit Payments	<u>(1,423,229)</u>	<u>(1,504,835)</u>	<u>(1,221,556)</u>
Net Change in Total OPEB Liability	7,310,212	(5,496,736)	2,675,829
Total OPEB Liability (Beginning of Year)	<u>40,292,675</u>	<u>45,789,411</u>	<u>43,113,582</u>
Total OPEB Liability (End of Year)	<u><u>\$47,602,887</u></u>	<u><u>\$40,292,675</u></u>	<u><u>\$45,789,411</u></u>
Covered Employee Payroll	\$55,343,089	\$53,471,584	\$56,863,726
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	86.01%	75.35%	80.52%

Source: City of Miramar, Florida GASB Statement No. 75 Other Post-Employment Benefits Actuarial Roll-Forward for Fiscal Year Ended September 30, 2020, dated October 16, 2020.

- (1) Determined as of the actuarial valuation date for each Fiscal Year.
- (2) For a detailed description of the changes made in the assumptions for the OPEB Plan, reference is made to the Comprehensive Annual Financial Report of the City of Miramar, Florida and the Actuarial Report for the OPEB Plan for each of the years indicated, a copy of any of which may be obtained by contacting either the City's Department of Finance, 2300 Civic Center Place, Miramar, Florida 33025, telephone number: (954) 602-3050, email address: emailfinance@ci.miramar.fl.us, or the City's Financial Advisor, PFM Financial Advisors LLC, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone number: (407) 406-5760, email address: gloverj@pfm.com.

OPEB Expense and Deferred Outflows and Inflows of Resources. For the Fiscal Year ended September 30, 2020, the City recognized an OPEB Plan expense of \$3,207,295. For the City's OPEB Plan, at September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

OPEB Outflow and Inflow of Resources

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ —	\$1,915,039
Assumption Changes	4,403,813	4,145,555
Total	<u>\$4,403,813</u>	<u>\$6,060,594</u>

Source: City of Miramar, Florida GASB Statement No. 75 Other Post-Employment Benefits Actuarial Roll-Forward for Fiscal Year Ended September 30, 2020, dated October 16, 2020.

The deferred outflow of resources related to the OPEB Plan, totaling \$1,748,590, resulting from City contributions to the OPEB Plan subsequent to the measurement date, is recognized as a reduction of the total OPEB liability for the Fiscal Year ending September 30, 2021. Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to OPEB will be recognized in future OPEB expenses as follows:

OPEB Deferred Outfalls and Inflows

<u>Fiscal Year Ending September 30,</u>	
2021	\$ (400,396)
2022	(400,396)
2023	(400,396)
2024	(400,396)
2025	(400,396)
Thereafter	<u>345,199</u>
Total	<u>\$(1,656,781)</u>

Source: City of Miramar, Florida GASB Statement No. 75 Other Post-Employment Benefits Actuarial Roll-Forward for Fiscal Year Ended September 30, 2020, dated October 16, 2020.

Additional Information

For more detailed information relating to the OPEB Plan, including, without limitation, a description of the actuarial methods and assumptions used to determine annual contributions, see “APPENDIX B - Excerpts from Comprehensive Annual Financial Report of the City of Miramar, Florida for the Fiscal Year ended September 30, 2020” and, in particular, Note 11 of the Notes to the Financial Statements and the information related to OPEB provided in the Required Supplementary Information.

INVESTMENT CONSIDERATIONS

COVID-19

In December, 2019 a respiratory disease caused by a novel strain of coronavirus was detected in China. The disease has since spread to other countries, including the United States of America, producing

sickness and deaths in the places where it has spread. The disease was declared a Public Health Emergency of International Concern on January 30, 2020, named “COVID-19” on February 11, 2020, and declared a pandemic on March 10, 2020, each by the World Health Organization. Currently, no proven cure exists for COVID-19. **NOTE: INCORPORATE SOME REVISIONS FROM BROWARD**

To address the health concerns presented by COVID-19, state and local governments implemented unprecedented, formal restrictions to limit human contact. During the month of March, 2020, emergency declarations were issued by the federal government, the State, the County, and the City. Pursuant to such declarations, far-reaching social distancing measures were adopted, which generally required the closure of public areas and facilities, public and private schools, private businesses that are not critical or essential businesses and the prohibition of gatherings involving attendance of more than ten (10) people. Additionally, individuals throughout the County were strongly urged to remain in their homes, other than to engage in essential activities, and to wear facial masks when interacting with others outside their homes. Commercial establishments, government buildings and public areas and facilities were opened in phases in 2020, with restrictions placed on the number of people that may access such establishments, areas and facilities and the manner in which they may be accessed. Certain restrictions on activities throughout the City remain. Locations to test for the virus are available in the City, and vaccinations are currently provided at locations throughout the County for frontline health care workers and individuals who are 65 years old or older. For additional information and updates on the continuing impact of COVID-19 in the City, see the City’s website at: <https://www.miramarfl.gov/1695/Coronavirus-Update>.

The outbreak of COVID-19 has affected travel, commerce and financial markets globally, and is widely expected to have a significant impact on economies worldwide. The continued spread of the disease, containment, and efforts designed to mitigate its effects are expected to negatively impact the financial and operating condition of the City. The City estimates that the impact of COVID-19 and the implementation of measures to combat its spread have resulted in revenue losses of approximately \$12.6 million and unbudgeted expenditures of approximately \$6.1 million. To offset such losses, the City has received grant funding from the County for the reimbursement of allowable COVID-19 related expenditures of approximately \$5.2 million. The City also plans to apply to the Federal Emergency Management Agency (“FEMA”) for reimbursement of certain expenses incurred as a result of COVID-19 and expects that other federal agencies may offer relief for expenses incurred due to COVID-19 for which the City may qualify as well. The City has identified approximately \$400,000 of COVID-19 related expenses that it currently plans to submit to FEMA for reimbursement.

The total or long-term negative impact on the City of COVID-19 cannot be predicted with any reasonable degree of certainty at this time. The continued spread of the disease, containment, and efforts designed to mitigate its effects could continue to have a negative affect on revenues of the City, including the Non-Ad Valorem Revenues. No assurance can be given that the changes produced by the outbreak of COVID-19 will not materially adversely impact Non-Ad Valorem Revenues, which could adversely affect the ability of the City to covenant and appropriate Non-Ad Valorem Revenues in the amount required to pay Debt Service on the Series 2021 Bonds. See “SECURITY AND SOURCES OF PAYMENT” herein.

Climate Change

The State is naturally susceptible to the effects of extreme weather events and natural disasters, including floods, droughts and hurricanes. The occurrence of such events and natural disasters can produce significant negative ecological, environmental and economic impacts on coastal communities like the City. Such impacts can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels.

Numerous scientific studies on global climate change conclude that, among other effects on the global ecosystem, extreme and abnormal temperature fluctuations have occurred globally and, without the implementation of measures to address the phenomenon, will continue to occur. Such occurrences have been determined by scientific studies to be the primary reason for current and projected increases in sea levels and for extreme weather events to occur in higher frequency and intensity. As a result, global climate change increases the potential of considerable financial loss to the City, including, without limitation, substantial losses in ad valorem and non-ad valorem tax revenues. In addition, many residents, businesses and governmental operations could be severely disabled for significant periods of time or displaced, and the City could be required to mitigate these effects at a potentially material cost.

The City is keenly aware of the risks from hurricanes and sea level rise, as are officials at the County and throughout South Florida. In an effort to address the repercussions of climate change in Southeast Florida communities, the first Southeast Florida Climate Leadership Summit was held in the County in 2009. Local elected officials from throughout the region came together at the Summit to discuss challenges and strategies for responding to the impacts of climate change. The Summit resulted in the formation of the Southeast Florida Regional Climate Compact (the “Compact”). The Compact was executed by Broward, Miami-Dade, Monroe and Palm Beach Counties in January 2010 to coordinate climate change mitigation and adaptation activities across county lines. In addition to its participation in the Compact, the City has followed various climate change strategies described in the Compact’s Regional Climate Action Plan (the “RCAP”). The RCAP was the result of a two (2) year collaborative process involving nearly one hundred (100) subject matter experts representing public and private sectors, universities and not-for-profit organizations.

The City constitutes one of the South Florida municipalities that has adopted the Mayors’ Climate Action Pledge in support of the RCAP. Thirty-four (34) other municipalities in Broward, Miami-Dade, Monroe and Palm Beach Counties have also officially adopted the Mayors’ Climate Action Pledge to document their commitment to implement measures and develop objectives designed to reduce global warming and the negative impacts of climate change, in support of the goals, objectives, strategies and actions described in the RCAP. The RCAP, adopted for Broward County in October 2012, may be viewed on the Compact’s website at: <http://southeastfloridaclimatecompact.org/>.

In addition to following guidelines established in the RCAP, the City actively advances policies and practices to make activities, operations and development within the City more energy efficient and environmentally sensitive. The City supports the County’s various green initiatives, including the “Broward County - Go Green” initiative and has established a Sustainable Planning Program to provide guidance to residents of the City on the implementation of energy efficient measures. Access to information on various sustainability initiatives supported by the City may be viewed by accessing the links provided at the City’s website: <https://www.miramarfl.gov/QuickLinks.aspx?CID=108>. Access to information relating to the City’s Sustainable Planning Program may be viewed on the City’s website at: <https://www.miramarfl.gov/1009/Sustainable-Planning>.

Projections of the effects of global climate change on the City are complex and depend on many factors that are outside the control of the City. The various scientific studies that forecast climate change and its adverse effects, including severe storms, sea level rise and flooding risks, are based on assumptions contained in such studies. Actual events, however, may vary materially from such forecasts. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the City is not able to forecast when the adverse effects of climate change (e.g., the occurrence and frequency of 100-year storm events, hurricanes, and king tides) will occur. In particular, the City is not able to predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse effects on the business operations or financial condition of the City and the local economy during the term of the Series 2021 Bonds. While the negative effects of climate change may be avoided or lessened by

the City's past and future investment in adaptation and mitigation strategies, the City cannot provide any assurance about the net effects of those strategies and whether the City will be required to take additional adaptation or mitigation measures. If necessary, such additional measures could require significant capital resources in excess of the resources already contemplated to be spent on combating the negative impacts of climate change.

Cybersecurity

General

The City's computer networks and systems used for information transmission and collection are an integral part of its basic infrastructure. Protecting assets of the City and storing information of customers, constituents and employees are of vital importance to the City. Cybersecurity has become the required norm within the computer industry. To keep up with new developments and requirements, the City routinely upgrades its technology with new software and hardware to protect the integrity of system assets and information. Numerous policies and procedures have been implemented to increase security awareness and proficiency and safeguard the City's infrastructure.

Protocols

The City currently uses multiple solutions with security measures to guide and monitor the development and growth of its cybersecurity protections. In addition, the City conducts yearly penetration testing and vulnerability assessment to discover any misuse and make corrections, if necessary, to remain current in its protections against cyber threats. For its core infrastructure, the City relies on, among other safeguards, a combination of industry-leading, enterprise-ranking firewalls, network access controls, intrusion monitoring, detection and remediation, vulnerability management, email and web filtering, endpoint protections, encryption, and authentication measures. Proactive assessment of internal and external systems is conducted continuously, with real-time monitoring solutions and the use of computer security best practices. The City provides annually mandated security awareness training for all City staff via ongoing funding for training, educational conferences and certifications for technical staff. The City reviews its cybersecurity protocols frequently to stay well-informed of emerging and effective procedures and measures.

Threat Response

The City can respond to cybersecurity threats or attacks in many ways, depending on the severity and mode of the threat or attack. The City has internal information technology staff to respond to any cybersecurity threat. Such staff consist of network administrators, system administrators, cybersecurity analysts and help desk support analysts. Additionally, the City has third-party security vendors as managed service providers to provide industry expertise and resources that can be quickly accessed to respond to and remedy a cybersecurity incident. The City's information security team monitors computer and network logs for cybersecurity issues, consistently scanning infrastructure for vulnerabilities. In addition, the City has other systems to monitor inbound and outbound traffic, send notifications, and respond automatically to any perceived threat or actual attack, with counter measures that can be quickly employed when cybersecurity abnormalities occur.

Risk Management

The City frequently refines and seeks to improve its cybersecurity risk management policies and procedures. As part of the policy, employees are routinely trained to comply with cybersecurity awareness requirements. The City also maintains cyber risk insurance to help mitigate its exposure to security attacks

that are known to cripple an organization's technology system and/or fraudulently confiscate funds. Cybersecurity safeguards are tested annually by an outside service provider, as well as daily via internal monitoring of the network and endpoints.

While City cybersecurity and operational safeguards are in place, no assurance can be given that such measures will ensure against all cybersecurity threats or attacks. Cybersecurity breaches could damage or compromise the City's computer network and the confidentiality, integrity, or availability of the City's computer system or information. The potential disruption, access, modification, disclosure, or destruction of information could result in the interruption of City commerce and the running of its day-to-day operations. It may also create a liability for the City under laws that protect the privacy of personal information, impose regulatory penalties, and cause a loss of confidence in City functions. All of which could adversely affect City revenues, cause a material disruption in the City's operations, or the appropriate provision of City services. The costs of remedying any such damage or protecting against future attacks could be substantial and more than the maximum amount of the City's cyber risk insurance policy. Further, the litigation to which the City could be exposed following a cybersecurity breach could be significant, which could cause the City to incur material costs related to such legal claims or proceedings.

LITIGATION

There is no litigation or administrative proceeding, other than as is disclosed in this Official Statement, of any nature, now pending or, to the best knowledge of the City, threatened against the City which, in the opinion of the City Attorney, will have any material adverse effect on the collection or use of Non-Ad Valorem Revenues to pay Debt Service on the Series 2021 Bonds. At the time of the delivery of the Series 2021 Bonds, the City will deliver a certificate to the effect that no litigation or other proceedings are pending or, to the best knowledge of the City, threatened against the City in any way (i) restraining or enjoining the issuance, sale or delivery of the Series 2021 Bonds or (ii) questioning or affecting the validity of the Series 2021 Bonds or any proceedings of the City taken with respect to the authorization, sale, execution or issuance of the Series 2021 Bonds or of the pledge of any moneys or other security provided for the Series 2021 Bonds.

The City experiences routine litigation and claims incidental to the conduct of its municipal affairs. In the opinion of the City, there are no lawsuits presently pending or, to the best of the City's knowledge, threatened, the adverse outcome of which would impair the City's ability to perform its obligations to the owners of the Series 2021 Bonds.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Series 2021 Bonds, including their legality and enforceability and whether interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes, are subject to the legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, whose legal services as Bond Counsel have been retained by the City. The signed legal opinion of Bond Counsel, substantially in the form attached hereto as APPENDIX D, dated and premised on law in effect as of the original delivery of the Series 2021 Bonds, will be delivered to the City and the Underwriters on the date of issuance of the Series 2021 Bonds.

The actual legal opinion to be delivered may vary from the form attached hereto to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of the opinion by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date of issuance.

Certain legal matters incident to the issuance of the Series 2021 Bonds relating to disclosure will be passed on for the City by the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, whose legal services as Disclosure Counsel have been retained by the City. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 2021 Bonds, will be delivered to the City and the Underwriters on the date of issuance of the Series 2021 Bonds.

The proposed text of the legal opinion of Disclosure Counsel is set forth as APPENDIX E to this Official Statement. The actual legal opinion to be delivered may vary from the text attached hereto if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Disclosure Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date of issuance.

Certain legal matters will be passed on for the City by Austin Pamies Norris Weeks Powell PLLC, Fort Lauderdale, Florida, City Attorney. Virtus LLP, Windermere, Florida, is serving as counsel to the Underwriters.

The legal opinions and other letters of counsel to be delivered concurrently with the delivery of the Series 2021 Bonds express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that opinion, or the transaction on which the opinion or advice is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2021 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Resolution and the Series 2021 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery and to general principles of equity (whether sought in a court of law or equity).

TAX MATTERS

In the opinion of Bond Counsel, the proposed form of which is included as APPENDIX D to this Official Statement, the interest on the Series 2021 Bonds is not excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Series 2021 Bonds may also be subject to state or local income taxation under applicable state or local laws. Purchasers of the Series 2021 Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2021 Bonds in their particular state or local jurisdiction.

Except as provided above, Bond Counsel is not rendering any opinion regarding tax consequences of owning the Series 2021 Bonds. There are several tax-related issues attendant with ownership of the Series 2021 Bonds, including, but not limited to, treatment of original issue discount or premium, if any, treatment of secondary market discount or premium, if any, reporting requirements and possible application of backup withholding tax, determination of an owner's tax basis and gains or losses in connection with sales, exchanges or other dispositions of the Series 2021 Bonds, foreign ownership, ownership by certain

employee benefit plans and other retirement plans and other issues. Many of the rules related to these issues are complicated and purchasers of the Series 2021 Bonds should consult their own tax advisors and professionals as to the tax consequences of the purchase, ownership and disposition of the Series 2021 Bonds under federal, state, local, foreign and other tax laws.

CONTINUING DISCLOSURE

For the benefit of the holders and beneficial owners from time to time of the Series 2021 Bonds, the City will covenant, in accordance with and as the only obligated person with respect to the Series 2021 Bonds under Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), to provide or cause to be provided certain financial information and operating data relating to the City, not later than April 30th following the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2021 (the “Annual Report”), and notices of material events, in such manner as may be required for purposes of paragraph (b)(5) of the Rule. The Annual Report and notices of material events will be electronically filed by the City with the Municipal Securities Rulemaking Board at <http://emma.msrb.org/>. The specific nature of the information to be contained in the Annual Report and the notices of material events are contained in “APPENDIX F - Form of Disclosure Dissemination Agent Agreement.” The covenants of the Disclosure Agreement have been made in order to assist the Underwriters in complying with clause (b)(5) of the Rule.

Within the last five (5) years the City has complied in all material respects with its previous undertakings made with respect to the Rule and is currently in compliance in all material respects with such undertakings. Any failure to comply with the provisions of the Disclosure Agreement shall not constitute a default under the Resolution and any failure of the City to comply with its previous continuing disclosure undertakings are not defaults under the authorizing resolutions or disclosure agreements pursuant to which prior continuing disclosure undertakings were created.

In order to provide certain continuing disclosure with respect to the Series 2021 Bonds in accordance with the Rule, the City will retain the services of Digital Assurance Certification, L.L.C. (“DAC”) to serve as Dissemination Agent pursuant to the Disclosure Agreement. The obligation of DAC to deliver information at the times and with the contents described in the Disclosure Agreement is limited by, and in all respects subject to, the receipt by DAC of such information from the City in the time periods required for its delivery. The specific obligations and responsibilities of DAC with respect to the continuing disclosure requirements of the Rule and its duties and limitations of liability as Dissemination Agent under the Disclosure Agreement are described in “APPENDIX F - Form of Disclosure Dissemination Agreement.”

INVESTMENT POLICY

In accordance with the requirements of Section 218.415, Florida Statutes, the City established its present written investment policy (the “Investment Policy”) which applies to all funds held by or for the benefit of the City (except for City pension funds or other funds that are held by a third party custodian).

The objectives of the Investment Policy, listed in order of importance, are:

1. Safety of capital,
2. Liquidity, and
3. Return on investments.

To enhance safety, the Investment Policy requires the diversification of the portfolio to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, issuer of securities, instrument or class of security, or dealer through whom the securities are bought or sold. The Investment Policy sets

forth the categories of permissible investments, defines the parameters from which the selection of investment securities is to be made, and describes maturity and liquidity requirements. The Investment Policy also establishes criteria for suitable financial institutions and broker-dealers with which the City will conduct business, internal investment controls, and bidding requirements when purchasing or selling securities.

The Investment Policy provides that the City's Finance Director, with the approval of the City Manager, will establish an investment team for the purpose of (i) formulating investment strategies and short-range direction, within the guidelines set forth in the Investment Policy, and (ii) monitoring the performance and structure of the City's investment portfolio (the "Investment Team"). The Investment Team consists of the City's Finance Director and at least two (2) other financial professionals employed in the City's Finance Department, and may include other members of the City, as designated by the City's Finance Director and/or the City Manager. Members of the Investment Team responsible for making investment decisions are required to complete at least eight (8) hours of continuing education annually in subjects or courses of study related to investment practices and products.

The Investment Policy is approved by the City Commission and reviewed annually by the Investment Team. If investment conditions dictate a need for a modification of the Investment Policy prior to its annual review, the City's Finance Director may submit proposed changes to the City Manager for approval. A copy of the Investment Policy may be obtained directly from the City's Department of Finance or the City's Financial Advisor. See "INTRODUCTION" herein.

RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned to the Series 2021 Bonds a rating of "____," [without assigning an outlook,] and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") has assigned a rating of "____," with a "____" outlook." Such ratings and, with respect to S&P, outlook reflect the view of such organizations. An explanation of the significance of such ratings and outlook may be obtained only from Moody's and S&P, respectively. An explanation of the rating assigned by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0300. An explanation of the rating and outlook assigned by S&P may be obtained from S&P at 55 Water Street, 38th Floor, New York, New York 10041, (212) 438-2124.

Generally, a rating agency bases its rating and outlook, if assigned, on the information and materials furnished to it and on investigations, studies and assumptions of its own. A securities rating and outlook is not a recommendation to buy, sell or hold securities. There is no assurance that the rating and outlook provided by Moody's and expected to be provided by S&P, respectively, will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings or outlooks may have an adverse effect on the market price of the Series 2021 Bonds.

FINANCIAL STATEMENTS

Excerpts from the Comprehensive Annual Financial Report of the City for the Fiscal Year ended September 30, 2020 (the "CAFR") and the report of Caballero Fierman Llerena & Garcia, LLP, independent certified public accountants, in connection therewith, dated April 29, 2021, are included in APPENDIX B to this Official Statement as part of the public records of the City. The entire CAFR may be viewed on the City's website at: <https://www.miramarfl.gov/ArchiveCenter/ViewFile/Item/395>.

The consent of Caballero Fierman Llerena & Garcia, LLP was not requested for the reproduction of its audit report in this Official Statement. The auditor has performed no services in connection with the preparation of this Official Statement and is not associated with the offering of the Series 2021 Bonds.

FINANCIAL ADVISOR

The City has retained PFM Financial Advisors LLC, Orlando, Florida, as financial advisor with respect to the authorization and issuance of the Series 2021 Bonds (the “Financial Advisor”). The Financial Advisor has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2021 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification of, or to assume responsibility for, the accuracy, completeness or fairness of the information contained in this Official Statement.

The Financial Advisor is an independent, registered municipal advisory firm. The Financial Advisor is not engaged in the business of underwriting, marketing or trading of municipal securities. Investors should not base any investment decision on the fact that the Financial Advisor has advised the City on matters relating to the issuance of the Series 2021 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the Financial Advisor relating to the computation of forecasted receipts of principal and interest on the Escrow Securities and any uninvested cash to pay and redeem the Refunded Bonds, was verified by The Arbitrage Group, Inc., Houston, Texas, as the Verification Agent. Such computations were based solely upon assumptions and information supplied by the Financial Advisor.

The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations included in the schedules provided by the Financial Advisor. The Verification Agent has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted results.

UNDERWRITING

The Series 2021 Bonds are being purchased by Siebert Williams Shank & Co., LLC (“Siebert Williams Shank”) and Loop Capital Markets LLC (collectively, the “Underwriters”), subject to certain terms and conditions set forth in the purchase contract between the City and the Underwriters, including the delivery of opinions on certain legal matters relating to the issuance of the Series 2021 Bonds by Bond Counsel and the existence of no material adverse change in the condition of the City from that set forth in the Official Statement.

The Series 2021 Bonds are being purchased at a purchase price of \$_____ (which represents the \$_____ principal amount of the Series 2021 Bonds, [plus / minus a net original issue premium / discount of \$_____,] minus an Underwriters’ discount of \$_____). The Series 2021 Bonds are offered for sale to the public at the prices and yields set forth on the inside cover page of this Official Statement. The Series 2021 Bonds may be offered and sold to certain dealers at prices lower than or yields higher than such offering prices and yields. After the initial public offering, such public offering prices and yields may be changed from time to time by the Underwriters.

An Siebert Williams Shank affiliate (the “Affiliate”), which is a registered investment advisor, has three sub-advisory agreements with PFM Asset Management LLC, which is an investment advisor affiliate of the Financial Advisor. The sub-advisory agreements do not relate to the City. The Affiliate’s business is separate from Siebert Williams Shank’s business and the employees of Siebert Williams Shank who cover the City are not involved in the activities of the Affiliate.

The Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the City as an underwriter) for the distribution of the Series 2021 Bonds at the original issue prices. Such agreements generally provide that the relevant underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

Bond Counsel and Disclosure Counsel may, from time-to-time, serve as counsel to one or more of the Underwriters on matters unrelated to the issuance of the Series 2021 Bonds.

CONTINGENT FEES

The City has retained Bond Counsel, Disclosure Counsel and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2021 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters (including the fees of Underwriters’ Counsel) are each contingent upon the issuance of the Series 2021 Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and Rule 3E400.003, Florida Administrative Code, requires the City to disclose each and every default as to payment of principal and interest after December 31, 1975 with respect to obligations issued or guaranteed by the City. Rule 3E400.003 further provides, however, that if the City in good faith believes that such disclosure would not be considered material by reasonable investors, such disclosure may be omitted.

To the best knowledge of the Finance Director of the City, the City has not received actual notice of a default in the payment of principal or interest after December 31, 1975 with respect to any obligations issued or guaranteed by the City.

AUTHORIZATION OF OFFICIAL STATEMENT

The delivery of this Official Statement has been duly authorized by the City Commission. At the time of the delivery of the Series 2021 Bonds, officials of the City will furnish a certificate to the effect that (except for information in this Official Statement relating to DTC, its operations and the book-entry only system, and the information contained under the captions “TAX MATTERS” and “UNDERWRITING,” as to which no opinion will be expressed) nothing has come to their attention which would lead them to believe that this Official Statement, as of its date and as of the date of delivery of the Series 2021 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purpose for which this Official Statement is intended to be used, or which is necessary to make the statements contained herein, in the light of the circumstances under which they were made, not misleading.

A limited number of copies of the final Official Statement will be provided, at the City’s expense, on a timely basis.

CONCLUDING STATEMENT

All information included herein has been provided by the City, except where attributed to other sources and as excluded in "AUTHORIZATION OF OFFICIAL STATEMENT" herein. The summaries of and references to all documents, statutes, reports, and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument. The information herein has been compiled from official and other sources and, while not guaranteed by the City, is believed to be correct. To the extent that any statements made in this Official Statement and the appendices attached hereto involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as statements of fact, and no representation is made that any of the estimates will be realized.

This Official Statement has been duly executed and delivered by the City Manager of the City of Miramar, Florida.

CITY OF MIRAMAR, FLORIDA

By: _____
City Manager

APPENDIX A

**General Information regarding
the City of Miramar, Florida**

APPENDIX B

Excerpts from Comprehensive Annual Financial Report

of the City of Miramar, Florida

for the Fiscal Year Ended September 30, 2020

APPENDIX C

The Resolution

APPENDIX D

Proposed Form of Opinion of Bond Counsel

APPENDIX E

Proposed Form of Opinion of Disclosure Counsel

Date of Delivery

City Commission of the
City of Miramar, Florida
2300 Civic Center Place
Miramar, Florida 33025

\$ _____
CITY OF MIRAMAR, FLORIDA
Taxable Special Obligation Refunding Revenue Bonds
Series 2021

Ladies and Gentlemen:

We have served as Disclosure Counsel in connection with the issuance by the City of Miramar, Florida (the "City") of its \$ _____ in aggregate principal amount of Taxable Special Obligation Refunding Revenue Bonds, Series 2021 (the "Series 2021 Bonds"). The Series 2021 Bonds are being issued with the terms, for the purposes and subject to the conditions set forth in Resolution No. 21-____ adopted by the City Commission of the City (the "City Commission") on June 16, 2021, as described in the Official Statement dated _____, 2021 relating to the Series 2021 Bonds (the "Official Statement"). All capitalized terms used in this opinion that are not defined herein and not normally capitalized shall have the meaning ascribed to such terms in the Official Statement.

In connection with the issuance and delivery of this opinion, we have considered such matters of law and fact and have relied upon such certificates and other information furnished to us as we have deemed appropriate. We are not expressing any opinion or views herein on the authorization, issuance, delivery or validity of the Series 2021 Bonds. To the extent the opinion expressed herein relates to or is dependent upon the determination that the proceedings and actions related to the authorization, issuance and sale of the Series 2021 Bonds are lawful and valid under the laws of the State of Florida, or that the Series 2021 Bonds are valid and binding obligations of the City enforceable in accordance with their terms, we understand that you are relying upon the opinions delivered on the date hereof of Nabors, Giblin & Nickerson, P.A. and no opinion is expressed herein as to such matters.

The scope of our engagement with respect to the issuance of the Series 2021 Bonds was not to establish factual matters and, because of the wholly or partially non-legal character of many of the determinations involved in the preparation of the Official Statement, we are not passing on and do not assume any responsibility for, except as set forth in the last sentence of this paragraph, the accuracy or completeness of the contents of the Official Statement (including, without limitation, its appendices) and we make no representation that we have independently verified the accuracy, completeness or fairness of such contents. As your counsel, we have participated in the preparation of the Official Statement and in discussions and conferences with officers of the City, Bond Counsel for the City, the Financial Advisor for the City, the Underwriters for the issuance of the Series 2021 Bonds and Virtus LLP, Counsel to the Underwriters, in which the contents of the Official Statement and related matters were discussed. Solely on the basis of our participation in the preparation of the Official Statement, our examination of certificates, documents, instruments and records relating to the City and the issuance of the Series 2021 Bonds and the

above-mentioned discussions, nothing has come to our attention which would lead us to believe that the Official Statement (except for the financial, statistical and demographic data and information in the Official Statement, including, without limitation, the appendices thereto, and the information relating to DTC, its operations and the book-entry only system, as to which no opinion is expressed) contains an untrue statement of a material fact or omits to state a material fact that is necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

In reaching the conclusions expressed herein we have, with your concurrence, assumed and relied on, without independent verification, the genuineness and authenticity of all signatures not witnessed by us, the authenticity of all documents, records, instruments and letters submitted to us as originals, the conformity to originals of all items submitted to us as certified or photostatic copies, the legal capacity and authority of the persons who executed such items, the accuracy of all warranties, representations and statements of fact contained in the documents and instruments submitted to us, and the continuing accuracy on this date of any certificates or other items supplied to us regarding the matters addressed herein. As to questions of fact material to our opinion, we have relied upon and assumed the correctness of the public records and certificates by, and representations of, public officials and other officers, and representatives of the parties to this transaction. We have no actual knowledge of any factual information that would lead us to form a legal opinion that the public records or certificates which we have relied upon contain any untrue statement of a material fact.

The opinion expressed herein is based upon existing law as of the date hereof and we express no opinion herein as of any subsequent date or with respect to any pending legislation. We assume no obligation to supplement this opinion if any applicable laws change after the date hereof or if we become aware of any facts that might change the opinion expressed herein after the date hereof. The opinion expressed herein represents our professional judgment, is not a guarantee of result, and is limited to the laws of the State of Florida and the United States of America.

The opinion expressed herein is furnished by us as Disclosure Counsel to our client, the City, and solely for the use of the addressee named above. Such opinion shall not extend to, and may not be relied upon by, any other persons, firms, or corporations without our express prior written consent. The opinion expressed herein is limited to the matters set forth herein, and to the documents referred to herein, and does not extend to any other agreements, documents or instruments executed by the City. No other opinion should be inferred beyond the matters expressly stated herein.

Respectfully submitted,

LAW OFFICES OF STEVE E. BULLOCK, P.A.

APPENDIX F

Form of Disclosure Dissemination Agent Agreement

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT, dated as of _____, 2021 (this "Agreement"), by and between the **CITY OF MIRAMAR, FLORIDA**, a municipal corporation organized and existing under the laws of the State of Florida (the "City"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, having its designated corporate trust office in Fort Lauderdale, Florida, as escrow agent hereunder (the "Escrow Agent").

WHEREAS, the City has heretofore issued its City of Miramar, Florida Special Obligation Refunding and Improvement Revenue Bonds, Series 2013 (the "Series 2013 Bonds") pursuant to Resolution No. 13-160, adopted by the City Commission of the City (the "City Commission") on August 21, 2013 (the "Bond Resolution"); and

WHEREAS, the City has determined to exercise its option under the Bond Resolution to refund that portion of the Series 2013 Bonds described in Schedule A hereto (the "Refunded Bonds"); and

WHEREAS, the City has determined to issue \$_____ aggregate principal amount of its City of Miramar, Florida Taxable Special Obligation Refunding Revenue Bonds, Series 2021 (the "Series 2021 Bonds"), a portion of the proceeds of which Series 2021 Bonds will be used to provide payment for the Refunded Bonds and to discharge and satisfy the pledges, liens and other obligations of the City under the Bond Resolution in regard to such Refunded Bonds; and

WHEREAS, the issuance of the Series 2021 Bonds, the purchase by the Escrow Agent of the hereinafter defined Escrow Securities, the deposit of such Escrow Securities into the herein defined Escrow Fund and the payment and discharge of the Refunded Bonds in accordance with the Bond Resolution shall occur as a simultaneous transaction; and

WHEREAS, this Agreement is intended to effectuate such simultaneous transaction;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1. PREAMBLES. The recitals stated above are true and correct and incorporated herein.

SECTION 2. RECEIPT OF RESOLUTION AND VERIFICATION REPORT. Receipt of a true and correct copy of the above-mentioned Bond Resolution and this Agreement is hereby acknowledged by the Escrow Agent. The applicable and

necessary provisions of the Bond Resolution, including but not limited to Article III and 8.01 thereto, are incorporated herein by reference. The Escrow Agent also acknowledges receipt of the verification report of The Arbitrage Group, Inc., dated _____, 2021 (the "Verification Report"). Reference herein to or citation herein of any provisions of the Bond Resolution or the Verification Report shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

SECTION 3. PAYMENT AND DISCHARGE OF REFUNDED BONDS. The City by this writing exercises its option to cause all covenants, agreements and other obligations of the City to the holders of the Refunded Bonds to cease, terminate and become void and be discharged and satisfied.

SECTION 4. ESTABLISHMENT OF ESCROW FUND. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund designated the "City of Miramar, Florida Special Obligation Refunding and Improvement Revenue Bonds, Series 2013 Escrow Deposit Trust Fund" (the "Escrow Fund"). The Escrow Fund shall be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds, separate and apart from other funds and accounts of the City and the Escrow Agent. The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of and deposit to the credit of the Escrow Fund the sum of \$_____ received from proceeds of the Series 2021 Bonds (the "Bond Proceeds") [and the sum of \$_____ received from the City from moneys allocable to the Refunded Bonds (the "City Moneys")].

SECTION 5. DEPOSIT OF MONEYS AND SECURITIES IN ESCROW FUND. The City hereby directs and the Escrow Agent represents and acknowledges that, concurrently with the deposit of the Bond Proceeds [and the City Moneys] under Section 4 above, it has used \$_____ of the Bond Proceeds [and all of the City Moneys] to purchase on behalf of and for the account of the City certain United States Treasury obligations - State and Local Government Series (collectively, together with any other securities which may be on deposit, from time to time, in such Escrow Fund, the "Escrow Securities"), which are described in Schedule B hereto, and the Escrow Agent will deposit such Escrow Securities and \$_____ in cash (the "Cash Deposit") in the Escrow Fund as shown in Schedule B.

The Escrow Securities shall be noncallable, direct obligations of the United States of America.

In the event any of the Escrow Securities described in Schedule B hereto are not available for delivery on _____, 2021, the Escrow Agent may, at the written direction of the City and with the approval of Bond Counsel, substitute other United States Treasury obligations and shall credit such other obligations to the Escrow Fund and hold such obligations until the aforementioned Escrow Securities have been

delivered. Bond Counsel shall, as a condition precedent to giving its approval, require the City to provide it with a revised Verification Report in regard to the adequacy of the Escrow Securities, taking into account the substituted obligations to pay the Refunded Bonds in accordance with the terms hereof. The Escrow Agent shall in no manner be responsible or liable for failure or delay of Bond Counsel or the City to promptly approve the substitutions of other United States Treasury obligations for the Escrow Fund.

SECTION 6. SUFFICIENCY OF ESCROW SECURITIES AND THE CASH DEPOSIT. In reliance upon the Verification Report, the City represents that the Cash Deposit in the Escrow Fund and the interest on and the principal amounts successively maturing on the Escrow Securities in the Escrow Fund in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest) are sufficient such that moneys will be available to the Escrow Agent in amounts sufficient and at the times required to pay the amounts of principal of, redemption premium, if any, and interest due and to become due on the respective Refunded Bonds as described in Schedule C attached hereto. If the Escrow Securities and the Cash Deposit shall be insufficient to make such payments, the City shall timely deposit to the Escrow Fund, solely from legally available funds of the City, such additional amounts as may be required to pay the Refunded Bonds as described in Schedule C hereto. Notice of any insufficiency shall be given by the Escrow Agent to the City as promptly as possible, but the Escrow Agent shall in no manner be responsible for the City's failure to make such deposits.

SECTION 7. ESCROW SECURITIES AND CASH DEPOSIT IN TRUST FOR HOLDERS OF REFUNDED BONDS. The deposit of the Escrow Securities and the Cash Deposit in the Escrow Fund shall constitute an irrevocable deposit of Refunding Securities (as defined in the Bond Resolution) and cash in trust solely for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds at such times and in such amounts as set forth in Schedule C hereto, and the principal of and interest earnings on such Escrow Securities and the Cash Deposit shall be used solely for such purpose.

SECTION 8. ESCROW AGENT TO PAY REFUNDED BONDS FROM ESCROW FUND. The City hereby directs, and the Escrow Agent hereby agrees, that it will take all actions required to be taken by it under the provisions of the Bond Resolution, including the timely transfer of money to the Paying Agent for the Refunded Bonds (Regions Bank) as provided in the Bond Resolution, in order to effectuate this Agreement and to pay the Refunded Bonds in the amounts and at the times provided in Schedule C hereto. The Escrow Securities and the Cash Deposit shall be used to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds as the same may mature or be redeemed. If any payment date shall be a day on which either the Paying Agent for the Refunded Bonds or the Escrow Agent is not open for the acceptance or delivery of funds, then the Escrow Agent may make payment

on the next business day. The liability of the Escrow Agent for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds pursuant to this Agreement shall be limited to the application of the Escrow Securities and the Cash Deposit and the interest earnings thereon available for such purposes in the Escrow Fund.

SECTION 9. REINVESTMENT OF MONEYS AND SECURITIES IN ESCROW FUND. Moneys deposited in the Escrow Fund shall be invested only in the Escrow Securities listed in Schedule B hereto and the Cash Deposit and, except as provided in Section 5 hereof and this Section 9, neither the City nor the Escrow Agent shall otherwise invest or reinvest any moneys in the Escrow Fund.

Except as provided in Section 5 hereof and in this Section 9, the Escrow Agent may not sell or otherwise dispose of any or all of the Escrow Securities or the Cash Deposit in the Escrow Fund and reinvest the proceeds thereof in other securities nor may it substitute securities for any of the Escrow Securities, except upon written direction of the City and where, prior to any such reinvestment or substitution, the Escrow Agent has received from the City the following:

(a) a written verification report by a firm of independent certified public accountants, of recognized standing, appointed by the City and acceptable to the Escrow Agent, to the effect that after such reinvestment or substitution the principal amount of Escrow Securities, together with the interest thereon, will be sufficient to pay the Refunded Bonds as described in Schedule C hereto (such verification shall not be necessary in the event the City shall determine to reinvest cash in Escrow Securities which mature on or before the next principal and/or interest payment date for the Refunded Bonds and which have a maturity amount which is at least equal to the cash amount invested in such Escrow Securities); and

(b) a written opinion of nationally recognized Bond Counsel to the effect that (i) such investment will not cause the Refunded Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, as amended, and the regulations promulgated thereunder or otherwise cause the interest on the Refunded Bonds to be included as gross income for purposes of federal income taxation, and (ii) such investment does not violate any provision of Florida law or of the Bond Resolution.

The above-described verification report need not be provided in the event the City purchases Escrow Securities with the proceeds of maturing Escrow Securities and such purchased Escrow Securities mature on or before the next interest payment date for the Refunded Bonds and have a maturity amount which is at least equal to the cash amount invested in such Escrow Securities.

In the event the above-referenced verification concludes that there are surplus moneys in the Escrow Fund, such surplus moneys shall be released to the City upon its

written direction. The Escrow Fund shall continue in effect until the date upon which the Escrow Agent makes the final payment to the Paying Agent for the Refunded Bonds (Regions Bank) in an amount sufficient to pay the Refunded Bonds as described in Schedule C hereto, whereupon the Escrow Agent shall sell or redeem any Escrow Securities remaining in the Escrow Fund, and shall remit to the City the proceeds thereof, together with all other money, if any, then remaining in the Escrow Fund.

SECTION 10. REDEMPTION OF REFUNDED BONDS. The City hereby irrevocably instructs the Escrow Agent to direct, on behalf of the City, that the Bond Registrar for the Refunded Bonds (Regions Bank), give at the appropriate times the notice or notices, if any, required by the Bond Resolution in connection with the redemption of such Refunded Bonds. Such notice(s) of redemption shall be given by the Bond Registrar for such Refunded Bonds in accordance with the Bond Resolution. The Escrow Agent shall cause such Bond Registrar to file such redemption notice with the Electronic Municipal Market Access within ten business days of it being so given. The Refunded Bonds shall be redeemed on October 1, 2022, at a redemption price equal to 100% of the principal amount thereof plus interest accrued to the redemption date.

SECTION 11. DEFEASANCE NOTICE TO HOLDERS OF REFUNDED BONDS. Concurrently with the deposit of the Escrow Securities set forth in Section 5 hereof, the Refunded Bonds shall be deemed to have been paid and discharged within the meaning and with the effect expressed in Section 8.01 of the Bond Resolution. Within 15 days of the deposit of moneys into the Escrow Fund, the Escrow Agent, on behalf of the City, shall mail, or cause the Paying Agent for the Refunded Bonds (Regions Bank) to mail, to the owners of the Refunded Bonds the appropriate notice in the form provided in Schedule D, attached hereto. The Escrow Agent shall file such defeasance notice with the Electronic Municipal Market Access within ten business days of the date hereof.

SECTION 12. ESCROW FUND IRREVOCABLE. The Escrow Fund hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on the Escrow Securities and Cash Deposit which is deposited in the Escrow Fund pursuant to the terms hereof and the interest earnings thereon until paid out, used and applied in accordance with this Agreement and the Bond Resolution. Neither the City nor the Escrow Agent shall cause nor permit any other lien or interest whatsoever to be imposed upon the Escrow Fund.

SECTION 13. AMENDMENTS TO AGREEMENT. This Agreement is made for the benefit of the City and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders and the written consent of the Escrow Agent; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the

rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement;

(b) to grant, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized Bond Counsel with respect to compliance with this Section 13, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 13.

SECTION 14. FEES AND EXPENSES OF ESCROW AGENT; INDEMNIFICATION. In consideration of the services rendered by the Escrow Agent under this Agreement, the City agrees to and shall pay to the Escrow Agent the fees and expenses as shall be agreed to in writing by the parties hereto. The Escrow Agent shall have no lien whatsoever upon any of the Escrow Securities or Cash Deposit in the Escrow Fund for the payment of such fees and expenses. To the extent allowed by applicable law, the City further agrees to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to the Escrow Agent's own negligence or misconduct. Indemnification provided under this Section 14 shall survive the termination of this Agreement.

Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement; the Escrow Agent shall be protected and shall not be liable for acting or proceeding, in good faith, upon such reliance; and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the City or independent counsel, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in

respect of any action taken or suffered by it hereunder in good faith in accordance herewith. Prior to retaining such independent counsel, the Escrow Agent shall notify the City of its intention.

The Escrow Agent and its successors, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, by reason of the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance and disposition of the various moneys and funds described herein, the purchase, retention or payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement or any non-negligent act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall, however, be liable to the City and to the holder of the Refunded Bond to the extent of their respective damages for negligent or willful acts, omissions or errors of the Escrow Agent which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement.

SECTION 15. REPORTING REQUIREMENTS OF ESCROW AGENT.

As soon as practicable after each October 1 and April 1, commencing October 1, 2021, the Escrow Agent shall forward in writing to the City a statement in detail of the activity of the Escrow Fund, including the income and maturities of the Escrow Securities, and withdrawals of money from the Escrow Fund, since the prior reporting date.

SECTION 16. RESIGNATION OR REMOVAL OF ESCROW AGENT.

The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than 60 days' written notice to the City and mailing notice thereof, specifying the date when such resignation will take effect to the holders of all Refunded Bonds then outstanding, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding or by the City as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be replaced at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and signed by either the City or the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding. Such instrument shall provide for the appointment of a successor Escrow Agent, which appointment shall occur simultaneously with the removal of the Escrow Agent.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the

control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the City shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the City shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders. The City shall mail notice of any such appointment made by it at the times and in the manner described in the first paragraph of this Section 16.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the City pursuant to the foregoing provisions of this Section 16 within 60 days after written notice of resignation of the Escrow Agent has been given to the City, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

In the event of replacement or resignation of the Escrow Agent, the Escrow Agent shall remit to the City the prorated portion of prepaid fees not yet incurred or payable, less any termination fees and expenses at the time of discharge, and shall have no further liability hereunder and the City shall indemnify and hold harmless the Escrow Agent, to the extent allowed by law, from any such liability, including costs or expenses incurred by the Escrow Agent or its counsel.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any state (and authorized to transact trust business in Florida), and shall have at the time of appointment capital and surplus of not less than \$30,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the City execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the City be required by any successor

Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 17. TERMINATION OF AGREEMENT. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all moneys remaining in the Escrow Fund shall be released to the City.

SECTION 18. GOVERNING LAW. This Agreement shall be governed by the applicable laws of the State of Florida.

SECTION 19. SEVERABILITY. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 20. COUNTERPARTS. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 21. NOTICES. Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed to:

U.S. Bank National Association
500 West Cypress Creek Road, Suite 460
Fort Lauderdale, Florida 33309
Attention: Corporate Trust Services

City of Miramar, Florida
2300 Civic Center Place
Miramar, FL 33025
Attention: Finance Director

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and appointed officials and their seals to be hereunder affixed and attested as of the date first written herein.

CITY OF MIRAMAR, FLORIDA

(SEAL)

City Manager

ATTEST:

City Clerk

_____, as Escrow Agent

By: _____
Authorized Officer

SCHEDULE A

DESCRIPTION OF THE REFUNDED BONDS

Maturity (October 1)	Principal Amount	Interest Rate
	\$	%

*

*Term Bond

SCHEDULE B

ESCROW SECURITIES

Type	Maturity Date	Par Amount	Interest Rate	Cost
SLGs		\$	%	

SCHEDULE C

DEBT SERVICE REQUIREMENTS FOR REFUNDED BONDS

Date	Interest	Principal Redeemed	Total
10/01/2021			
04/01/2022			
10/01/2022			

SCHEDULE D

FORM OF NOTICE OF DEFEASANCE

Notice is hereby given pursuant to Resolution 13-160, adopted by the City Commission of the City of Miramar, Florida (the "City") on August 21, 2013 (the "Bond Resolution"), that the outstanding City of Miramar, Florida Special Obligation Refunding and Improvement Revenue Bonds, Series 2013 described below (the "Refunded Bonds") are deemed to be paid within the meaning of the Bond Resolution and shall no longer be outstanding under or secured by the Bond Resolution and the liens created thereby for the benefit of the holders of the Refunded Bonds and shall be secured solely from the irrevocable deposit of U.S. Treasury obligations made by the City with U.S. Bank National Association, as Escrow Agent, pursuant to the Escrow Deposit Agreement dated as of _____, 2021, between the City and the Escrow Agent, in accordance with Section 8.01 of the Bond Resolution. The Refunded Bonds shall be redeemed on October 1, 2022 at the offices of the Paying Agent for such Refunded Bonds (Regions Bank) at a redemption price equal to 100% of the principal amount thereof plus interest accrued to the redemption date.

Special Obligation Refunding and Improvement Revenue Bonds, Series 2013

Maturity (October 1)	Principal Amount	Interest Rate	CUSIP
	\$	%	

*

*Term Bond

INSURANCE PROVISIONS FOR ASSURED GUARANTY MUNICIPAL CORP.

Unless otherwise defined in this Exhibit E, capitalized terms used herein shall have the meanings ascribed thereto in Resolution No. ____-____ adopted by the City Commission of the City of Miramar, Florida on _____, 2021 (the "Resolution"), unless the context indicates another meaning.

(A) If, on the third business day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with or available for the Paying Agent, after making all transfers and deposits required under the Resolution, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Issuer shall give notice to AGM and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such business day. If, on the second business day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Paying Agent shall make a claim under the Bond Insurance Policy and give notice to AGM and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to AGM and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second business day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(B) The Paying Agent shall designate any portion of payment of principal on Insured Bonds paid by AGM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Insured Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to AGM, registered in the name of AGM Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Bond or the subrogation rights of AGM.

(C) The Paying Agent shall keep a complete and accurate record of all funds deposited by AGM into the hereinafter defined Policy Payments Account and the allocation of such funds to payment of interest on and principal of any Insured Bond. AGM shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

(D) Upon payment of a claim under the Bond Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of the Insured Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Bond Insurance Policy in trust on behalf of the Insured Bondholders and shall deposit any such amount in the Policy Payments

Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Insured Bondholders in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the provisions of the Resolution regarding payment of Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything to the contrary otherwise set forth herein, in the event amounts paid under the Bond Insurance Policy are applied to claims for payment of principal of or interest on the Insured Bonds, the Issuer agrees to pay AGM (i) a sum equal to the total of all amounts paid by AGM under the Bond Insurance Policy (the "Insurer Advances"); and (ii) to the extent permitted by law, interest on such Insurer Advances from the date paid by AGM until payment thereof in full, payable to AGM at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (1) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (2) the then applicable highest rate of interest on the Insured Bonds, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Insurer Reimbursement Amounts are payable from the Non-Ad Valorem Revenues (as defined in the Resolution) to the same extent and on the same basis as the Insured Bonds in the manner provided in the Resolution.

(E) Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following an Insured Bond Payment Date shall promptly be remitted to AGM.

(F) AGM shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceedings, as such term is defined below). The obligations to AGM shall survive discharge or termination of the Resolution.

(G) The Issuer shall pay or reimburse AGM any and all charges, fees, costs and expenses that AGM may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Resolution; (ii) the pursuit of any remedies under the Resolution or any other related document or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, the Resolution or any other related document whether or not executed or completed; or (iv) any litigation or other dispute in connection with the Resolution or any other related document or the transactions contemplated thereby, other than costs resulting from the failure of AGM to honor its obligations under the Bond Insurance Policy. AGM reserves the right to charge a reasonable fee as a condition to executing any

amendment, waiver or consent proposed in respect of the Resolution or any other related document.

(H) AGM shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) [and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Resolution,] whether or not AGM has received a Notice of Nonpayment (as such term is defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(I) The notice address of AGM is: AGM Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director -- Public Finance - Surveillance; Re: Policy No. _____, Telephone: (212) 974-0100, Telecopier: (212) 339-3556, e-mail: munidisclosure@assuredguaranty.com. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of General Counsel at the same address or at the following facsimile number: (212) 445-8705 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(J) AGM shall be provided with the following information at no charge:

(i) Annual audited financial statements within 30 days after the completion of the Issuer's annual audit (and in any event within 270 days of the end of the Issuer's Fiscal Year) and the Issuer's annual budget and revised budget within 30 days after the approval thereof together with such other information, data or reports as AGM shall reasonably request from time to time;

(ii) Notice of any default known to the Paying Agent or the Issuer within five business days after knowledge thereof;

(iii) Prior notice of the advance refunding or redemption of any of the Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(iv) Notice of the resignation or removal of the Paying Agent and the appointment of, and acceptance of duties by, any successor thereto;

(v) Notice of the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vi) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Bonds;

(vii) A full original transcript of all proceedings relating to any amendment, supplement, or waiver to the Resolution or any related documents;

(viii) All reports, notices and correspondence to be delivered under the terms of the Resolution or any related documents;

(ix) To the extent that the Issuer has entered into a continuing disclosure certificate, covenant or undertaking with respect to the Insured Bonds, all information furnished pursuant to such agreements shall also be provided to AGM, simultaneously with the furnishing of such information; and

(x) Such additional information as AGM may reasonably require.

(K) The Issuer will permit AGM to discuss the affairs, finances and accounts of the Issuer or any information AGM may reasonably request regarding the security for the Insured Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable AGM to have access to the facilities, books and records of the Issuer on any business day upon reasonable prior notice.

(L) The Issuer shall notify AGM of any failure of the Issuer to provide notices, certificates and other information under the transaction documents.

(M) Notwithstanding satisfaction of other conditions to the issuance of Additional Bonds contained in the Resolution, no such issuance may occur if (i) any Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) has occurred and be continuing unless such default shall be cured upon such issuance, [and (ii) unless the Reserve Account is fully funded as provided in the Resolution upon the issuance of such Additional Bonds, in either case, unless otherwise permitted by AGM; provided, however, if the Issuer establishes a separate account or subaccount in the Reserve Account to secure a particular Series of Bonds, the Issuer may establish a Reserve Account Requirement for such Series of Bonds in accordance with the Resolution.]

(N) In determining whether any amendment, consent or other action to be taken, or any failure to act, under the Resolution would adversely affect the security for the Insured Bonds or the rights of the Insured Bondholders, the Paying Agent and the Issuer shall consider the effect of any such amendment, consent, action or inaction as if there were no Bond Insurance Policy.

(O) No contract shall be entered into by the Issuer nor any action taken by the Issuer by which the rights of AGM or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of AGM.

(P) AGM shall be deemed to be the sole holder of the Insured Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking of any other action that the holders of the Insured Bonds insured by it are entitled to take pursuant to the Resolution subject to the provisions thereof and the provisions of the Resolution pertaining to (i) defaults and remedies, and (ii) the duties and obligations of the Paying Agent, if any.

(Q) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of AGM. No grace period shall be permitted for payment defaults.

(R) AGM is considered a third party beneficiary under the Resolution.

(S) Notwithstanding any other provision herein, if Insured Bonds are purchased in lieu of redemption, the prior written approval of AGM shall be required if any Insured Bond so purchased is not to be cancelled upon purchase.

(T) No modification, amendment or supplement to the Resolution which requires the consent of any Insured Bondholders or would otherwise impair the interests of AGM may become effective except upon obtaining the prior written consent of AGM.

(U) The rights granted to AGM under the Resolution or any related document to request, consent to or direct any action are rights granted to AGM in consideration of its issuance of the Bond Insurance Policy. Any exercise by AGM of such rights is merely an exercise of AGM's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Insured Bondholders nor does such action evidence any position of AGM, positive or negative, as to whether the Insured Bondholder consent is required in addition to the consent of AGM.

(V) Notwithstanding the provisions of Section 8.01 of the Resolution, to accomplish the defeasance of the Insured Bonds, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to AGM ("Accountant") verifying the sufficiency of the escrow established to pay the Insured Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to AGM), (iii) an opinion of nationally recognized bond counsel to the effect that the Insured Bonds are no longer "outstanding" under the Resolution, and (iv) a certificate of discharge of the Paying Agent with respect to the Insured Bonds. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer and AGM. AGM shall be provided with substantially final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow. Insured Bonds shall be deemed "outstanding" under the Resolution unless and until they are in fact paid and retired or the above criteria and the other criteria set forth in Section 8.01 are met. Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of AGM, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of AGM, securities eligible for "AAA" defeasance under then existing criteria of

S&P or any combination thereof, shall be used to effect defeasance of the Insured Bonds unless AGM otherwise approves.

(W) Amounts paid by AGM under the Bond Insurance Policy shall not be deemed paid for purposes of the Resolution and shall remain outstanding and continue to be due and owing until paid by the Issuer in accordance with the Resolution. The Resolution shall not be discharged unless all amounts due or to become due to AGM have been paid in full or duly provided for.

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INSURANCE PROVISIONS FOR BUILD AMERICA MUTUAL ASSURANCE COMPANY

(A) Notice and Other Information to be given to BAM. The Issuer will provide Build America Mutual Assurance Company ("BAM") with all notices and other information it is obligated to provide (1) under its Continuing Disclosure Certificate, and (2) to the holders of Insured Bonds or the Paying Agent under the Resolution.

The notice address of BAM is: Build America Mutual Assurance Company, 1 World Financial Center, 27th Floor, 200 Liberty Street, New York, New York 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Bond Insurance Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(B) Defeasance. The investments in the defeasance escrow shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or otherwise be approved by BAM.

At least three (3) business days prior to any defeasance, the Issuer shall deliver to BAM copies of an escrow agreement, opinions regarding the validity and enforceability of the escrow agreement, a verification report (a "Verification Report") of a nationally recognized independent financial analyst or firm of certified public accountants regarding sufficiency of the escrow and a defeasance legal opinion. Such opinions and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

(1) Any substitution of securities shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Bonds is excludable) from gross income of the holders of the Insured Bonds of the interest on the Insured Bonds for federal income tax purposes and the prior written consent of BAM.

(2) The Issuer will not exercise any prior optional redemption of Insured Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (a) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (b) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(3) The Issuer shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

(C) **Paying Agent.**

(1) BAM shall receive prior written notice of any name change of the Paying Agent for the Insured Bonds or the resignation or removal of the Paying Agent. Any Paying Agent must be (a) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (b) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (c) otherwise approved by BAM in writing.

(2) No removal, resignation or termination of the Paying Agent shall take effect until a successor, acceptable to BAM, shall be qualified and appointed.

(D) **Amendments, Supplements and Consents.** Any amendment, supplement, modification to, or waiver of, the Resolution that requires the consent of holders of the Insured Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM. The Issuer shall send copies of any such amendments or supplements to BAM and the Rating Agencies which have assigned a rating to the Insured Bonds. In addition to the consents above, the consent of BAM shall be required as noted below.

(1) *Consent of BAM in the Event of Insolvency.* Any reorganization or liquidation plan with respect to the Issuer must be acceptable to BAM in writing. In the event of any reorganization or liquidation of the Issuer, BAM shall have the right to vote on behalf of all holders of the Insured Bonds absent a continuing failure by BAM to make a payment under the Bond Insurance Policy.

(2) *Consent of BAM Upon Default.* Anything in the Resolution to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default under the Resolution, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Bonds or the Paying Agent for the benefit of the holders of the Insured Bonds under the Resolution. Neither the Issuer nor the Paying Agent may waive any default or event of default without BAM's written consent.

(3) *BAM as Owner.* Upon the occurrence and continuance of a default or an event of default under the Resolution, BAM shall be deemed to be the sole owner of the Insured Bonds for all purposes under the Resolution, including, without limitations, for purposes of exercising remedies and approving amendments.

(4) *Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults on the Insured Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

(5) *Special Provisions for Insurer Default.* If an Insurer Default (as defined below) shall occur and be continuing under the Bond Insurance Policy, then, notwithstanding anything in paragraphs (D)(1)-(4) above to the contrary, (a) if at any time prior to or following an Insurer Default, BAM has made payment under the Bond Insurance Policy, to the extent of such payment BAM shall be treated like any other holder of the Insured Bonds for all purposes, including giving of consents, and (b) if BAM has not made any payment under the Bond Insurance Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Bond Insurance Policy, in which event, the foregoing clause (a) shall control. For purposes of this paragraph (5), "Insurer Default" means: (i) BAM has failed to make any payment under the Bond Insurance Policy when due and owing in accordance with its terms; (ii) BAM shall (A) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (B) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (C) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (D) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (E) make a general assignment for the benefit of creditors, or (F) take action for the purpose of effecting any of the foregoing; or (iii) any state or federal agency or instrumentality shall order the suspension of payments on the Bond Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

(E) BAM As Third Party Beneficiary. BAM is recognized as and shall be deemed to be a third party beneficiary of the Resolution and may enforce the provisions of the Resolution as if it were a party thereto.

(F) Payment Procedure Under the Bond Insurance Policy. In the event that principal and/or interest due on the Insured Bonds shall be paid by BAM pursuant to the Bond Insurance Policy, the Insured Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the covenant of the Issuer to budget and appropriate Non-Ad Valorem Revenues and all other covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Insured Bonds.

In the event that on the second (2nd) business day prior to any payment date on the Insured Bonds, the Issuer reasonably believes it shall not have sufficient moneys to pay all principal of and interest on the Insured Bonds due on such payment date, the Issuer shall immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the expected deficiency. If any deficiency

is made up in whole or in part prior to or on the payment date, the Issuer or the Paying Agent shall so notify BAM or its designee.

In addition, if the Paying Agent has notice that any holder of the Insured Bonds has been required to disgorge payments of principal of or interest on the Insured Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

The Paying Agent shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Bonds as follows:

(1) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Bonds, the Paying Agent shall (a) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holders of the Insured Bonds in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Insured Bonds, (b) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Bond Insurance Policy payment from BAM with respect to the claims for interest so assigned, and (c) disburse the same to such respective holders; and

(2) If there is a deficiency in amounts required to pay principal of the Insured Bonds, the Paying Agent shall (a) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holder of the Insured Bonds in any legal proceeding related to the payment of such principal and an assignment to BAM of the Insured Bonds surrendered to BAM, (b) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Bond Insurance Policy payment therefore from BAM, and (c) disburse the same to such holders.

The Paying Agent shall designate any portion of payment of principal on the Insured Bonds paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Bond or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest on and principal of Insured Bonds disbursed by the Paying Agent from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation of the Issuer with respect to such Insured Bonds,

and BAM shall become the owner of such unpaid Insured Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent agree for the benefit of BAM that:

(1) They recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal or interest on the Insured Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the transaction documents and the Insured Bonds; and

(2) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Bonds, but only from the sources and in the manner provided therein for the payment of principal or interest on the Insured Bonds to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

(G) Additional Payments. The Issuer agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Resolution ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate (as defined below), compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Issuer agrees to pay to BAM (1) a sum equal to the total of all amounts paid by BAM under the Bond Insurance Policy ("BAM Policy Payment"); and (2) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Issuer, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. The Issuer hereby covenants and agrees that the BAM Reimbursement Amounts are payable from the Non-Ad Valorem Revenues in the manner and to the extent provided in the Resolution on a parity with debt service due on the Insured Bonds.

"Late Payment Rate" means the lesser of (1) the greater of (A) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate

("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (B) the then applicable highest rate of interest on the Insured Bonds, and (2) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(H) Exercise of Rights by BAM. The rights granted to BAM under the Resolution to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Bond Insurance Policy. Any exercise by BAM of such rights is merely an exercise of BAM's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Bonds and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Bonds or any other person is required in addition to the consent of BAM.

BAM shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment (as such terms are defined in the Bond Insurance Policy) but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) [and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Resolution, whether or not BAM has received a claim upon the Bond Insurance Policy.]