

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MARGATE, FLORIDA PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED AGGREGATE PRINCIPAL AMOUNT OF \$10,000,000 CITY OF MARGATE, FLORIDA GENERAL OBLIGATION BONDS; DIRECTING THE APPLICATION OF THE PROCEEDS OF SUCH BONDS; AUTHORIZING OTHER REQUIRED ACTIONS; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MARGATE, FLORIDA:

SECTION 1. AUTHORITY FOR THIS BOND ORDINANCE. This Bond Ordinance is enacted pursuant to the Constitution of the State of Florida, Chapter 166, Florida Statutes, other applicable provisions of law, the Charter of the City of Margate, Florida (the "Issuer"), as amended, and a vote of the electors of the City of Margate, Florida on November 6, 2018.

SECTION 2. FINDINGS. It is hereby found and determined:

(A) The financing of the acquiring, constructing, equipping, renovating, replacing and improving parks and recreation projects, as provided in Resolution No. 18-056 adopted on May 16, 2018 (the "Referendum Resolution") (collectively, the "Project"), constitutes a capital project authorized by law for which bonds payable from municipal ad valorem taxes could be issued pursuant to Article VII, Section 12 of the Constitution of the State of Florida so long as such bonds were approved by vote of the electors who are owners of freeholds therein not wholly exempt from taxation.

(B) Pursuant to the Referendum Resolution, an election was held on November 6, 2018 to determine if the electors of the Issuer approved of the issuance of not exceeding \$10,000,000 of general obligation bonds of the Issuer for the purpose of financing the costs of the Project, payable from ad valorem taxes on all the taxable property within the City of Margate (the "Bond Referendum"). Said Referendum Resolution fixed the date of said election to be November 6, 2018, fixed the form of the ballot to be used in said election and provided for the publication of notice of said election all in accordance with Chapter 100, Florida Statutes, and other applicable laws.

(C) Notice of said bond election was duly published on October 4, 2018, October 18, 2018 and October 25, 2018, in the Sun Sentinel and El Sentinel, both newspapers of general circulation in Broward County, Florida.

(D) The election was duly held and conducted in all respects according to law. At the election 10,167, electors voted in favor of the issuance of the Bonds and 7,439 voted against the issuance of the Bonds to finance the cost of the Project.

(E) The Bond Referendum was duly held and conducted in all respects according to law, and a majority of electors casting a ballot voted in favor of the issuance of such bonds for such purpose.

(F) Article VII, Section 12(a) of the Constitution of the State of Florida provides that upon approval by a vote of the electors, municipalities may issue bonds payable from ad valorem taxation to finance capital projects authorized by law.

(G) The Issuer deems it a paramount public purpose and deems it necessary, beneficial and in its best interest to provide for the financing of the Project.

(H) Ad valorem taxes levied by the Issuer in accordance with this Bond Ordinance should be sufficient to pay all principal of and interest and redemption premium, if any, on the City of Margate, Florida General Obligation Bonds (the "Bonds") to be issued hereunder, as the same become due, and to make all required deposits or payments required by this Bond Ordinance.

SECTION 3. DEFINITIONS. As used in this Bond Ordinance:

"BOND COUNSEL" shall mean Bryant Miller Olive P.A., or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"BOND REFERENDUM" shall have the same meaning as set forth above in Section 2.

"BOND REGISTRAR AND PAYING AGENT" means any trust company or bank with trust powers appointed from time to time by supplemental resolution of the City Commission to serve under this Bond Ordinance.

"BOND YEAR" means such year as determined by the Issuer.

"CITY ATTORNEY" means the City Attorney of the Issuer, or any assistant, acting or interim City Attorney.

"CITY CHARTER" or "CHARTER" means the municipal charter of the Issuer.

"CITY CLERK" means the City Clerk of the Issuer, or any assistant or deputy City Clerk.

"CITY COMMISSION" means the City Commission of the Issuer.

"CITY MANAGER" means the City Manager of the Issuer.

"CODE" means the Internal Revenue Code of 1986, as amended.

“CONSTRUCTION FUND” means the “City of Margate, Florida General Obligation Bonds Construction Fund” created pursuant to Section 16(B) hereof.

“DEBT SERVICE FUND” means the “City of Margate, Florida General Obligation Bonds Debt Service Fund” created pursuant to Section 16(A) hereof.

“DEBT SERVICE REQUIREMENT,” for any Bond Year, means the sum of the amount required to be deposited into the Debt Service Fund in such year.

“FEDERAL SECURITIES” means direct obligations of the United States of America and senior debt obligations of government sponsored agencies.

“HOLDER” or “HOLDER OF BONDS” or “BONDHOLDER” or any similar term means any person who shall be the registered owner of any outstanding Bonds.

“INTEREST PAYMENT DATE” means such dates determined by subsequent resolution prior to issuance of the Bonds.

“ISSUER” means the City of Margate, Florida.

“MAYOR” means the Mayor or Vice Mayor of the City of Margate, Florida.

“PERMITTED INVESTMENTS” shall mean investments permitted by applicable law and the investment policy of the Issuer.

“PROJECT” shall have the same meaning as set forth above in Section 2.

“REBATE FUND” means the “City of Margate, Florida General Obligation Bonds Rebate Fund” created herein.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words “Bonds,” “owner,” “holder” and “person” shall include the plural as well as the singular number, and the word “person” shall include corporations, associations and public bodies as well as natural persons.

SECTION 4. AUTHORIZATION OF BONDS AND THE PROJECT. Subject and pursuant to the provisions hereof, there are hereby authorized to be issued and sold City of Margate, Florida General Obligation Bonds in the aggregate principal amount not to exceed \$10,000,000 to finance the cost of the Project. The Bonds may be issued in one or more series and shall bear the series designation of the year issued. The Project is hereby authorized.

SECTION 5. BOND ORDINANCE TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the

same from time to time, this Bond Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal holders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 6. DESCRIPTION OF BONDS. The Bonds shall be issued in fully registered form, shall be dated, shall be numbered consecutively from R-1 upward and shall be in the denomination of \$5,000 each, or integral multiples thereof, shall bear interest at a rate or rates not exceeding the maximum rate allowed by law, payable semiannually in each year on such dates, shall be serial or term bonds, shall mature on such dates with a final maturity not later than 30 years from issuance, and may be subject to redemption prior to maturity, all as may be determined by subsequent resolution prior to issuance of the Bonds.

Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated, unless authenticated on an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date, or, unless authenticated prior to the first Interest Payment Date, in which case it shall bear interest from its date; provided, however, that if at the time of authentication, interest is in default, such Bond shall bear interest from the date to which interest shall have been paid.

The principal of, premium, if any, and the interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal, premium, if any, and interest of the Bonds shall be payable only to the registered Holder or his legal representative at the designated corporate trust office of the Bond Registrar and Paying Agent, and payment of the interest on the Bonds shall be made by the Bond Registrar and Paying Agent on each Interest Payment Date to the person appearing on the registration books of the Issuer hereinafter provided for as the registered Holder thereof, by wire transfer or check mailed to such registered Holder at his address as it appears on such registration books on the 15th day of the calendar month (whether or not a business day) preceding the Interest Payment Date. Payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable.

SECTION 7. EXECUTION. Said Bonds shall be signed by, or bear the facsimile signature of the Mayor, shall be attested by or bear the facsimile signature of the City Clerk. The official seal of the Issuer shall be imprinted on each Bond.

SECTION 8. SIGNATURES; REGISTRATION. In the event that any officer whose signature, or a facsimile of whose signature, shall appear on any Bond shall cease to be such officer before the delivery of such Bonds, said signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be signed by, such person who,

at the actual time of the execution of such Bonds, shall be the proper officer to sign such Bonds although, at the date of said Bonds, such person may not have been such an officer.

Only such of the Bonds as shall have been endorsed thereon, a certificate of authentication substantially in the form hereinbelow set forth, duly executed by the Bond Registrar and Paying Agent, as authenticating agent, shall be entitled to any benefit or security under this Bond Ordinance. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly and manually executed by the Bond Registrar and Paying Agent, and such certificate of the Bond Registrar and Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Bond Ordinance. The certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Registrar and Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication of all of the Bonds that may be issued hereunder at any one time.

Any Bonds, upon surrender thereof at the designated corporate trust office of the Bond Registrar and Paying Agent, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar and Paying Agent, may, at the option of the Bondholder, be exchanged for an aggregate principal amount of Bonds equal to the designated amount of the Bond or Bonds so surrendered.

The Bond Registrar and Paying Agent shall make provision for the exchange of Bonds at the designated corporate trust office of the Bond Registrar and Paying Agent.

SECTION 9. NEGOTIABILITY, REGISTRATION AND TRANSFER OF BONDS. The Bond Registrar and Paying Agent shall keep books for the registration of transfers of Bonds as provided in this Bond Ordinance. The transfer of any Bonds may be registered only upon such books and only upon surrender thereof to the Bond Registrar and Paying Agent together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar and Paying Agent. Upon any such registration of transfer, the Issuer shall execute, and the Bond Registrar and Paying Agent shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds registered in the name of the transferee, and in an aggregate principal amount equal to the principal amount of such Bond or Bonds so surrendered.

In all cases in which Bonds shall be exchanged, the Issuer shall execute, and the Bond Registrar and Paying Agent shall authenticate and deliver, at the earliest practicable time, Bonds in accordance with the provisions of this Bond Ordinance. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar and Paying Agent. The Issuer or the Bond Registrar and Paying Agent may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Bondholder for the privilege of exchanging or registering the transfer of Bonds under the provisions of this Bond Ordinance. Neither the

Issuer nor the Bond Registrar and Paying Agent shall be required to make any such exchange or registration of transfer of Bonds during fifteen (15) days immediately preceding any Interest Payment Date or, in the case of any proposed redemption of the Bonds then, for the Bonds called for redemption, during the fifteen (15) days preceding the date of the mailing of notice of such redemption and continuing until such redemption date.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bond, and the interest on any such Bonds, shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the premium, if any, and interest thereon to the extent of the sum or sums so paid.

SECTION 10. 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, cause to be executed, and the Bond Registrar and Paying Agent shall authenticate and deliver, a new Bond of like date and 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 Bond Registrar and Paying Agent proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer and the Bond Registrar and Paying Agent may prescribe and paying such expenses as the Issuer and the Bond Registrar and Paying Agent may incur. All Bonds so surrendered shall be canceled by the Issuer. 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, upon being indemnified as aforesaid, and if such Bond is lost, stolen or destroyed, without surrender thereof.

SECTION 11. FORM OF BONDS. The Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted in this Bond Ordinance or in any supplemental ordinance or resolution of the City Commission enacted prior to the issuance thereof:

[Remainder of page intentionally left blank]

[Form of Fully Registered Bond]

NO. R-__

\$_____

UNITED STATE OF AMERICA
STATE OF FLORIDA
BROWARD COUNTY
CITY OF MARGATE
GENERAL OBLIGATION BONDS,
SERIES 20__

MATURITY DATE:

INTEREST RATE:

DATED DATE:

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS, that the City of Margate, Florida (hereinafter referred to as the "Issuer"), for value received, hereby promises to pay to the order of the Registered Owner identified above, or registered assigns as herein provided (the "Owner"), upon the presentation and surrender hereof at the designated corporate trust office of the Paying Agent (as hereinafter defined), on the Maturity Date identified above, or at prior redemption, if applicable, the Principal Amount identified above and in like manner to pay interest at the Interest Rate identified above, on said principal sum from and including the date hereof until payment of said principal sum has been made or duly provided for, at the rate and on the dates set forth herein. Principal of this Bond is payable at the principal office of _____ with an office in _____, Florida, as Bond Registrar and Paying Agent (the term "Paying Agent" where used herein refers to said Bond Registrar and Paying Agent or its successors) and interest is payable by wire transfer or check payable to the person in whose name this Bond is registered on the 15th day of the calendar month (whether or not a business day) preceding interest payment date. The interest to the Maturity Date is payable on _____ 1 and _____ 1 in each year, commencing _____ 1, 20__.

This Bond is one of an authorized issue of Bonds, in the aggregate principal amount of \$_____ of like date, tenor and effect, except as to number, interest rate and maturity, issued to finance the acquisition, construction, equipping, renovation, replacement and improvement of parks and recreation projects, as described in the Bond Ordinance (the "Project"), under the authority of and in full compliance with the Constitution and laws of the State of Florida.

The Bonds are issued pursuant to the Constitution of the State of Florida, Chapter 166,

Florida Statutes, other applicable provisions of law, the Charter of the Issuer, as amended, Resolution No. 18-056 adopted by the City Commission of the Issuer on May 16, 2018, a vote of the electors of the Issuer on November 6, 2018 and Ordinance No. _____ enacted by the City Commission of the Issuer on _____, 2018, as supplemented by Resolution No. ____ adopted on _____, 2019 (collectively, the “Bond Ordinance”), and are subject to all the terms and conditions of said Bond Ordinance.

The Bonds are payable from ad valorem taxes on all the taxable property within the Issuer, as provided in the Bond Ordinance and hereon. The Bond Ordinance requires that in each year while any of the Bonds are outstanding, there shall be levied and collected a tax, without limitation as to rate or amount, on all taxable property within the Issuer, in an amount which will be sufficient to pay the principal of and interest on the Bonds as they become due.

For the prompt payment of the principal of and interest on this Bond as the same shall become due, the full faith, credit and taxing power of the City of Margate, Florida is hereby irrevocably pledged.

It is hereby certified and recited that all acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond, have happened, exist and have been performed in due time, form and manner as required by the Constitution and the laws of the State of Florida applicable thereto; that the total indebtedness of said Issuer, including the issue of Bonds of which this Bond is one, does not exceed any constitutional or statutory limitation; and that provision has been made for the levy and collection of a direct annual tax without limitation as to rate or amount upon all taxable property within the Issuer, sufficient to pay, together with other moneys available, if any, the principal of and interest on the Bonds as the same shall become due, which tax shall be levied, assessed and collected at the same time, and in the same manner as other ad valorem taxes are levied, assessed and collected.

This Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

[Insert redemption provisions]

Any such redemption, either in whole or in part, shall be made in the manner and upon the terms and conditions provided in the Bond Ordinance. Notice of such redemption shall be given in the manner provided in the Bond Ordinance.

The transfer of this Bond is registrable by the registered owner hereof or his duly authorized attorney or legal representative at the office of the Bond Registrar and Paying Agent, but only in the manner and subject to the conditions provided in the Bond Ordinance and upon surrender and cancellation of this Bond.

The Bond Registrar shall not be required to exchange or register any transfer of this Bond after this Bond has been selected for redemption.

IN WITNESS WHEREOF, the City of Margate, Florida has issued this Bond and has caused the same to be signed by the Mayor of the Issuer, attested by the City Clerk of the Issuer, either manually or with his or her facsimile signatures, and the corporate seal of the Issuer or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Dated Date identified above imprinted hereon.

(SEAL)

ATTEST:

CITY OF MARGATE, FLORIDA

By: _____
City Clerk

By: _____
Mayor

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the series described therein and issued under the provisions of the within mentioned Bond Ordinance.

_____, as
Authenticating Agent

Date of Authentication: _____

By: _____

Its: _____

ASSIGNMENT AND TRANSFER

For value received, the undersigned hereby sells, assigns and transfers unto _____ (please insert Social Security or other identifying number of assignee) _____ the attached Bond of the City of Margate, Florida, and does hereby constitute and appoint _____, attorney, to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

By: _____

Signature Guarantee by a
member firm of the New York
Stock Exchange or a commercial
bank or a trust company.

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the assignee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

[End of form of Bond]

SECTION 12. APPLICATION OF BOND PROCEEDS. The proceeds, including premium, if any, received from the sale of any or all of the Bonds, shall be applied by the Issuer simultaneously with the delivery of the Bonds to the purchaser thereof, as follows:

(A) To the extent not reimbursed therefor by the original purchaser of the Bonds, the Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Bond; and

(B) Any remaining moneys from the Bonds shall be deposited into the Construction Fund to be used to pay the cost of the Project.

SECTION 13. BONDHOLDERS NOT RESPONSIBLE FOR APPLICATION OF BOND PROCEEDS. The Bondholders of the Bonds issued hereunder shall have no responsibility for the use of the proceeds of said Bonds, and the use of such Bond proceeds by the Issuer shall in no way affect the rights of such Bondholders. The Issuer shall be irrevocably obligated to continue to levy and collect the ad valorem taxes as provided herein to pay the principal of and interest on said Bonds annually as they become due and to make all other payments provided for herein from said ad valorem taxes levied in the City of Margate notwithstanding any failure of the Issuer to use and apply such Bond proceeds in the manner provided herein.

SECTION 14. SECURITY FOR THE BONDS. The Bonds are general obligations of the Issuer. The principal of and interest on the Bonds shall be secured by a pledge of the full faith, credit and taxing power of the Issuer without limitation.

SECTION 15. LEVY OF AD VALOREM TAXES. For so long as the Bonds are outstanding, the City Commission shall, each year, levy an ad valorem tax, without limitation as to rate or amount, on all taxable property within the Issuer at least equal to the Debt Service Requirement for the ensuing Bond Year. Such tax shall be levied and collected at the same time and in the same manner as ad valorem taxes for the operating expenses of the Issuer and shall be in addition to all other taxes authorized to be levied by the Issuer. The Issuer covenants that it will not accept payment of taxes levied for operating expenses of the Issuer unless there shall be paid at the same time the taxes required by this Bond Ordinance.

All taxes levied pursuant to this Bond Ordinance, as collected, shall immediately be deposited into the Debt Service Fund (hereinafter created) and held in trust for the payment of the principal of and interest on the Bonds as they severally become due and shall be expended for no other purpose. Until disbursed, the funds shall be secured as may from time to time be provided by law and as may be provided by supplemental resolution of the City Commission.

SECTION 16. COVENANTS OF ISSUER. For so long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid or until there shall have been set apart in the Debt Service Fund, a sum sufficient to pay when due, the entire principal of the Bonds remaining unpaid, together with interest accrued or to accrue thereon, the Issuer covenants with the Bondholders of each and all of the Bonds as follows:

(A) Debt Service Fund. The Issuer covenants and agrees to maintain a special fund to be designated "City of Margate, Florida General Obligation Bonds Debt Service Fund."

From the Debt Service Fund shall be paid each installment of interest on and principal of the Bonds as they become due. No further payments shall be required to be made into the Debt Service Fund when the aggregate amount of moneys in the Debt Service Fund is at least equal to the aggregate principal amount of the Bonds then outstanding, plus the amount of interest then due or thereafter to become due on such Bonds then outstanding. At such time as the Bonds are no longer outstanding, any moneys remaining in the Debt Service Fund may be transferred to the general fund of the Issuer, and shall be used for any lawful purpose. Moneys on deposit in the Debt Service Fund may be invested in Permitted Investments.

(B) Construction Fund. The Issuer covenants and agrees to establish a special fund to be designated "City of Margate, Florida General Obligation Bonds Construction Fund." Funds on deposit in the Construction Fund shall be used to pay the costs of the Project.

The Issuer's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties, and all proceeds of insurance compensating for damages to the Project during the period of construction, shall be deposited in the Construction Fund to assure completion of the Project.

When all costs of the Project have been paid in full, the Issuer is permitted to use remaining funds on deposit in the Construction Fund to pay debt service on the Bonds.

All moneys deposited in said Construction Fund shall be and constitute a trust fund created for the purpose stated, and there is hereby created a lien upon such fund in favor of the Bondholders until the moneys thereof shall have been applied in accordance with this Bond Ordinance.

(C) Special Funds. Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts respectively. All such funds shall be continuously secured in the manner by which the deposit of municipal funds are authorized to be secured by the laws of the State of Florida. Earnings on investments in funds and accounts created under this Bond Ordinance shall be retained in the funds and accounts from which such earnings derive.

(D) Books and Records. Books and records of the Issuer shall be kept in which complete and correct entries shall be made, in accordance with generally accepted accounting principles.

At least once a year, on or before May 30 of the year following the close of each fiscal year, the books, records and accounts of the Issuer shall be properly audited by an independent firm of certified public accountants. The results of such audit shall be mailed, upon request, and made available, at all reasonable times, to any Holder or Holders of Bonds or anyone acting

for and on behalf of the Holders of such Bonds; provided, however, that any such costs shall be borne by such Holder or Holders as the case may be.

SECTION 17. ARBITRAGE. No use will be made of the proceeds of the Bonds which will cause the same to be "arbitrage bonds" within the meaning of the Code. The Issuer, at all times while the Bonds and the interest thereon are outstanding, will comply with the requirements of Section 103(c) of the Code and applicable rules and regulations of the Internal Revenue Service.

SECTION 18. TAX COVENANT. With respect to any Bonds for which the Issuer intends on the date of issuance thereof for the interest thereon to be excluded from gross income for purposes of federal income taxation:

(A) The Issuer shall not use or permit the use of any proceeds of the Bonds or any other funds of the Issuer, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Issuer with respect to the Bonds in any manner, and shall not take or permit to be taken any other action or actions, which would cause any such Bonds to be a "private activity bond" within the meaning of Section 141 or an "arbitrage bond" within the meaning of Section 148, or "federally guaranteed" within the meaning of Section 149(b), of the Code, or otherwise cause interest on such Bonds to become subject to federal income taxation.

(B) The Issuer shall, at all times, do and perform all acts and things permitted by law and this Bond Ordinance which are necessary or desirable in order to ensure that interest paid on such Bonds will be excluded from gross income for purposes of federal income taxes and shall take no action that would result in such interest not being so excluded.

(C) The Issuer shall pay or cause to be paid to the United States Government any amounts required by Section 148(f) of the Code and the regulations thereunder (the "Regulations"). In order to ensure compliance with the rebate provisions of Section 148(f) of the Code with respect to any Bonds for which the Issuer intends on the date of issuance thereof to be excluded from gross income for purposes of federal income taxation, the Issuer hereby creates the "City of Margate, Florida General Obligation Bonds Rebate Fund" (the "Rebate Fund") to be held by the Issuer. The Rebate Fund need not be maintained so long as the Issuer timely satisfies its obligation to pay any rebatable earnings to the United States Treasury; however, the Issuer may, as an administrative convenience, maintain and deposit funds in the Rebate Fund from time to time. Moneys in the Rebate Fund (including earnings and deposits therein) shall be held for future payment to the United States Government as required by the Regulations and as set forth in the instructions of Bond Counsel delivered to the Issuer upon issuance of such Bonds. Moneys on deposit in the Rebate Fund may be invested in Permitted Investments.

SECTION 19. BOND REGISTRAR AND PAYING AGENT. The paying agent and registrar shall be appointed by subsequent resolution.

SECTION 20. DEFEASANCE. If, at any time, the Issuer shall have paid, or shall have made provision for payment of, the principal, interest, and redemption premiums, if any, with respect to any Bonds, then, and in that event, the pledge of and lien on the funds pledged in favor of the holders of such Bonds shall be no longer in effect. For purposes of the preceding sentence, deposit of sufficient cash and/or Federal Securities in irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders in respect to which such Federal Securities, the principal and interest received will be sufficient to make timely payment of the principal, interest and redemption premiums, if any, on the outstanding Bonds, shall be considered "provision for payment." 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, if applicable, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption, if applicable.

SECTION 21. DEFAULTS; EVENTS OF DEFAULT AND REMEDIES. Except as provided below, if any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default:"

- (A) Default in the due and punctual payment of any interest on the Bonds;
- (B) Default in the due and punctual payment of the principal of and premium, if any, on any Bond, at the stated maturity thereof, or upon proceedings for redemption thereof, if applicable;
- (C) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in this Bond Ordinance or in the Bonds and the continuance thereof for a period of thirty (30) days after written notice to the Issuer given by the Holders of not less than twenty-five percent (25%) of aggregate principal amount of Bonds then outstanding (provided, however, that with respect to any obligation, covenant, agreement or condition which requires performance by a date certain, if the Issuer performs such obligation, covenant, agreement or condition within thirty (30) days of written notice as provided above, the default shall be deemed to be cured);
- (D) Failure by the Issuer promptly to remove any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations hereunder; or
- (E) Any act of bankruptcy or the rearrangement, adjustment or readjustment of the obligations of the Issuer under the provisions of any bankruptcy or moratorium laws or similar laws relating to or affecting creditors' rights.

The term "default" shall mean default by the Issuer in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Bond Ordinance, any supplemental ordinance or resolution or in the Bonds, exclusive of any period of grace required to constitute a default or an "Event of Default" as hereinabove provided.

Any Holder of Bonds issued under the provisions hereof or any trustee acting for the Holders of such Bonds 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, including the right to the appointment of a receiver, existing under state or federal law, or granted and contained herein, and may enforce and compel the performance of all duties required herein or by any applicable law to be performed by the Issuer or by any officer thereof.

The foregoing notwithstanding:

(i) No remedy conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder.

(ii) No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient.

(iii) No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

(iv) Acceleration of the payment of principal of and interest on the Bonds shall not be a remedy hereunder in the case of an Event of Default.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bondholders under this Bond Ordinance, the Bondholders shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Issuer and the funds pending such proceedings, with such powers as the court making such appointment shall confer.

Notwithstanding any provision of this Bond Ordinance to the contrary, for all purposes of this Section 21, except the giving of notice of any Event of Default to the Holder of the Bonds, any bond insurer of Bonds shall be deemed to be the Holder of the Bonds it has insured.

On the occurrence of an Event of Default, to the extent such rights may then lawfully be waived, neither the Issuer nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Bond Ordinance, and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent it may lawfully do so, the benefit of all such laws and all right of redemption to which it may be entitled.

SECTION 22. MODIFICATION OR AMENDMENT. No material modification or amendment of this Bond Ordinance or of any ordinance amendatory thereof or supplemental thereto may be made without the consent in writing of the Holders of fifty-one percent (51%) or

more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affecting the unconditional promise of the Issuer to levy taxes, as herein provided, or to pay the principal of and interest on the Bonds, as the same shall become due, from the sources herein provided, or reduce such percentage of Holders of such Bonds required above for such modifications or amendments without the consent of all the Holders of the Bonds to be affected.

For purposes of this Section, to the extent any Bonds are insured by a policy of municipal bond insurance, then the consent of the issuer or issuers of such municipal bond insurance policy or policies shall be deemed to constitute the consent of the Holders of such Bonds, so long as the insurer is not in default under such policy.

SECTION 23. VALIDATION. Bryant Miller Olive P.A. and the City Attorney are hereby authorized and directed to prepare and file proceedings and to take such appropriate action for the validation of the Bonds herein authorized in conformity with applicable law.

SECTION 24. GENERAL AUTHORITY. The members of the City Commission of the Issuer and the Issuer's officers, attorneys and other agents and employees, including but not limited to the City Manager, the Finance Director, the City Clerk, and the City Attorney, are hereby authorized to perform all acts and things required of them by this Bond Ordinance or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Bond Ordinance, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Bonds to effectuate the sale of the Bonds to said initial purchasers.

SECTION 25. NO THIRD PARTY BENEFICIARIES. Except as may be expressly described herein or in a supplemental ordinance or resolution of the City Commission, nothing in this Bond Ordinance, or in the Bonds, expressed or implied, is intended or shall be construed to confer upon anyone of another entity other than the Issuer and the Holders any right, remedy or claim, legal or equitable, under and by reason of this Bond Ordinance or any provision hereof, or of the Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Holders from time to time.

SECTION 26. NO PERSONAL LIABILITY. Neither the members of the City Commission of the Issuer nor any person executing the Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 27. SEVERABILITY OF INVALID PROVISION. If any one or more of the covenants, agreements or provisions of this Bond Ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate

from the remaining covenants, agreements or provisions of this Bond Ordinance or of the Bonds issued hereunder.

SECTION 28. INCONSISTENT PROVISIONS. All prior ordinances and motions of the Issuer inconsistent with the provisions of this Bond Ordinance are hereby modified, supplemented and amended to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

SECTION 29. EFFECTIVE DATE. This Bond Ordinance shall take effect immediately upon its enactment.

ENACTED by the City Commission of the City of Margate, Florida, this ____ day of December, 2018.

By: _____
Mayor

ATTEST:

By: _____
Joseph J. Kavanagh
City Clerk

Record of vote

Simone	_____
Arserio	_____
Schwartz	_____
Ruzzano	_____
Caggiano	_____