

EXTENSION OF LINE OF CREDIT AGREEMENT

This Extension of Line of Credit Agreement is effective as of June ____, 2018, by and between the City of Hollywood, a Florida municipal corporation (the "City"), and City National Bank, (the "Bank"), and their respective successors and assigns.

WHEREAS, the City and the Bank entered into a Line of Credit Agreement effective June 22, 2017 (the "Agreement") for the purpose of establishing a line of credit in an amount not to exceed \$10,000,000.00 to meet cost recovery following a disaster and approving the form of such agreement; and

WHEREAS, Section 14 of the Agreement provides that by written request of the City delivered to the Bank at least sixty (60) days prior to May 31, the Bank and the City may agree to extend the Agreement for an additional successive period or periods, each period not to exceed one (1) year; and the Bank shall respond in writing within ten (10) days of receipt of a written request as to its willingness to agree to an extension.

WHEREAS, pursuant thereto, the City has requested a one (1) year extension from the Bank, the Bank has agreed to such request, and the City has paid the Bank a \$35,000.00 upfront renewal fee; and

WHEREAS, on June 6, 2018, the City adopted Resolution No. R-2018-____, authorizing the extension of the Agreement for a one (1) year period.

NOW, THEREFORE, in consideration for the mutual covenants herein expressed, the parties hereto do hereunto agree as follows:

SECTION 1. EXTENSION OF LETTER OF CREDIT AGREEMENT. The Agreement is hereby extended for a one (1) year period, commencing June 1, 2018 and ending May 31, 2019. Accordingly, the Note may be issued not later than May 31, 2019, and, if issued, draws on the Note may be made until May 31, 2019.

SECTION 2. COVENANT COMPLIANCE CERTIFICATE. The City's represents and warrants that the calculations set forth in the Covenant Compliance Certificate in the form attached hereto as Exhibit "A" accurately represent the matters set forth therein for the City's fiscal year ended September 30, 2017.

SECTION 3. EXTENSION OF AVAILABILITY OF LINE OF CREDIT. In addition to the requirements of Section 14 of the Agreement, the City shall deliver to the Bank, in connection with any request to further extend the Agreement, (a) an executed Covenant Compliance Certificate in the form attached as Exhibit "A" to the Agreement, and (b) a bank renewal fee in an amount of \$35,000.00.

SECTION 4. LIMITATION ON ISSUANCE OF NOTE(S) AND DRAWS THEREUNDER. The City acknowledges that the Agreement, as extended hereby, sets forth the terms and conditions under which the Note and additional note(s) could be issued and under which the City could make draws on such note(s), but that it does not irrevocably obligate the Bank to fund such draws. The Bank shall only be obligated to fund draws requested to be made under the Note or any additional note to the extent and subject to the conditions and requirements contained in the Agreement.

SECTION 5. AGREEMENT TO REMAIN IN FULL FORCE AND EFFECT.
The Agreement shall remain in full force and effect, as extended hereby.

SECTION 6. EFFECTIVE DATE. This Extension of Line of Credit Agreement shall take effect immediately upon its execution by the parties hereto.

Entered into this _____ day of June, 2018.

CITY OF HOLLYWOOD

JOSH LEVY, MAYOR

ATTEST:

PATRICIA A. CERNY, MMC, City Clerk

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

DOUGLAS R. GONZALES, CITY ATTORNEY

CITY NATIONAL BANK OF FLORIDA

LANCE AYLSWORTH, SR VICE PRESIDENT

EXHIBIT “A”

COVENANT COMPLIANCE CERTIFICATE

The County's legally available Non-Ad Valorem Revenues for the prior two fiscal years are as follows:

Revenues	2016		2017	
Total Revenues (Per CAFR)	\$ 219,194		\$ 230,403	
Less: Ad Valorem Revenues	\$ 104,272	(70,739+3,742 d/s +29,789` TIF)	\$ 113,266	(77,073+3,681 d/s +32,512` TIF)
Total Non-Ad Valorem Revenues	\$ 114,922		\$ 117,137	
Less Restricted Funds:				
[GO Bond Projects]				
[Gen Cap Proj]	1,899	(1,898.6 Gen gov)	1,399	(1,399.0 Gen gov)
[Special Programs]	2,704	(3,172 - 38 GG - 12 pub saf - 417 d/s)	2,378	(3,2292 - 12 GG - 236 pub saf - 602 d/s)
[Emergency & Dis]	2		105	
[Hsg Loan]				
[Ship]	1,513		539	
[Gas Tax Cap Proj]	2,699		2,791	
Adjusted Non Ad-Valorem Revenues	\$ 106,107		\$ 109,926	
Essential Expenditures:				
General Government **	\$ 16,006	(26,847-8,334-2,507 CRA gen fov exp)	\$ 19,952	(31,292-8,683-2,657 CRA gen fov exp)
Public Safety	\$ 120,134		\$ 133,224	
Total Essential Expenditures	\$ 136,141		\$ 153,177	
Less: Essential expenditures paid from Ad Val Funds net of ad Val DS levy or Designated Ad Val Revs	\$ 70,740		\$ 77,073	
Adjusted Essential Expenditures:	\$ 65,401		\$ 76,104	
Legally Available Non-Ad Val Revs (adjusted Non-Ad Val Revs less Adjusted Essential Exp)	\$ 40,706		\$ 33,822	

** Gen Gov Exp reduced by CRA Gen Gov Exp as these are paid by Ad Val collected in CRA fund.

The City's debt service coverage ratio is as follows:

Average Legally Available Non-Ad Valorem Revenues \$37,264

Maximum Annual Debt Service:

Capital Leases	1,307
First Florida	1,124
2017 Refunding, Pinnacle	980
2017 Refunding, PNC	1,800
HUD	506
2016A Capital Imp Ref & Rev Bonds	4,697
Emergency LOC \$10MM est @ 6% 2 years (Is Not Drawn Dr	5,600
	16,013

Ratio -- Assumes Emergency Line of Credit is Drawn 2.33

Ratio -- No Emergency Line of Credit 3.58