

**CITY OF HOLLYWOOD
INTEROFFICE MEMORANDUM**

TO: Mayor and Commissioners **DATE:** August 11, 2020
FROM: Douglas R. Gonzales, City Attorney
SUBJECT: Proposed Agreement with City National Bank for Emergency Line of Credit

I have reviewed the above captioned agreement for form and legality. The general business terms and other significant provisions are as follows:

- 1) Department/Division involved – Financial Services
- 2) Type of Agreement – Modification and Extension of Line of Credit Agreement
- 3) Method of Procurement (RFP, bid, etc.) – “Negotiated sale” exemption created by state law.
- 4) Term of Contract
 - a) initial – Three yrs.
 - b) renewals (if any) – Indefinite number of 1-yr. renewals.
 - c) who exercises option to renew – Renewal requires agreement of both parties.
- 5) Contract Amount – City can borrow up to \$10,000,000. Interest rate is based primarily on London Interbank Offered Rate (LIBOR). City will pay an upfront renewal fee of \$75,000 and at time of first draw, if any, a fee of \$6,500 for Bank’s attorney’s fees and costs.
- 6) Termination rights – For cause only.
- 7) Indemnity/Insurance Requirements – None.
- 8) Scope of Services – Bank will make loans to City upon request if City’s financial statement at time of request is acceptable to Bank.
- 9) City’s prior experience with Vendor (if any) – Yes.
- 10) Other significant provisions – None.

cc: Wazir A. Ishmael, Ph.D., City Manager