

**CITY OF HOLLYWOOD  
INTEROFFICE MEMORANDUM**

**TO:** Mayor and Commissioners **DATE:** May 1, 2015

**FROM:** Jeffrey P. Sheffel, City Attorney

**SUBJECT:** Proposed Agreement with Wells Fargo Bank for Extension of Line of Credit Agreement

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

- 1) Department/Office involved – Financial Services
- 2) Type of Agreement – Extension of Line of Credit Agreement
- 3) Method of Procurement (RFP, bid, etc.) – “Negotiated sale” exemption provided by state law.
- 4) Term of Contract
  - a) initial – 1 yr.
  - b) renewals (if any) – Unlimited number of 1-yr renewals.
  - c) who exercises option to renew – Renewal requires approval of both parties.
- 5) Contract Amount – The City will pay \$35,000.00 to extend the Line of Credit Agreement and \$1,500.00 for the Bank’s attorney’s fees. Aggregate principal will not exceed \$10,000,000. Interest rate will be the 3-mth. LIBOR (London Interbank Offered Rate) plus 1.00% adjusted each quarter.
- 6) Termination rights – For cause only.
- 7) Indemnity/Insurance Requirements – None.
- 8) Scope of Services – If City requests a draw, bank will fund only if Bank finds City’s financial situation acceptable at the time.
- 9) Other significant provisions – None.

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