

**CITY OF HOLLYWOOD
INTEROFFICE MEMORANDUM**

TO: Mayor and Commissioners

DATE: May 20, 2014

FROM: Jeffrey P. Sheffel, City Attorney

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

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) –
 - c) who exercises option to renew –
- 5) Contract Amount – The City will pay \$25,000.00 to extend the Line of Credit Agreement and \$750.00 for the Bank’s attorney’s fee. 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: Cathy Swanson-Rivenbark, City Manager