

**CITY OF HOLLYWOOD
INTEROFFICE MEMORANDUM**

TO: Mayor and Commissioners **DATE:** November 8, 2017

FROM: Alan Fallik, Interim City Attorney

SUBJECT: Proposed Amendment of Purchase & Sale Agreement with Pinnacle for Adams Street Property

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 – Community and Economic Development
- 2) Type of Agreement – Amendment to Purchase and Sale Agreement
- 3) Method of Procurement (RFP, bid, etc.) – Pinnacle submitted an unsolicited proposal, which forced City to issue a request for other proposals.
- 4) Term of Contract
 - a) initial – Closing date no later than 6/30/2019 (change from 6/30/2016)
 - b) renewals (if any) –
 - c) who exercises option to renew –
- 5) Contract Amount – \$1,225,500 plus for 15 yrs., annual payments equal to the greater of \$3,990 and 5.7% of net cash flow (no change). Within 2 days after effective date of amendment, Pinnacle will increase deposit by \$40,000.
- 6) Termination rights – For cause only.
- 7) Indemnity/Insurance Requirements – Pinnacle indemnifies City for damages caused by inspections. Each party indemnifies the other for claims for brokers' commissions (no change).
- 8) Scope of Services – City will sell property to Pinnacle (no change).
- 9) City's prior experience with Vendor – Yes.
- 10) Other significant provisions – Parties can agree to a 50-yr. ground lease instead of a sale (no change). If property is sold, property reverts to City after 65 yrs (no change). City shall terminate Community Garden by closing date.

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