

Attachment B

**INTERFUND LOAN AGREEMENT BETWEEN THE COUNTY OF MONTEREY AND
COUNTY SERVICE AREA 17 TIERRA GRANDE**

This Loan Agreement (“**Agreement**”) is executed as of _____, 2023, between the County Service Area 17 Tierra Grande (“**Borrower**”) and the County of Monterey (“**Lender**”). Lender agrees to lend to Borrower, and Borrower agrees to repay to Lender an amount not to exceed the Principal in accordance with the following:

1. Purpose of the Loan: To provide funds for use by Borrower, to fund Borrower’s costs for active County Service Area Services of open space and storm drainage maintenance. The loan shall account for borrowing between County Services Area 17 Tierra Grande, Fund No. 057 and the General Fund, Fund No. 001, Other Financing Uses Appropriation Unit CAO017.

2. Principal Loan Amount: Not to exceed seventeen thousand, three hundred thirty-four and no/100 Dollars (\$17,334). The loan will be recorded as receivable to the Lender and payable to the Borrower.

3. Term of the Loan: The term of this loan shall begin upon the establishment of an annual assessment that includes provisions for loan repayment through annual assessment rates and the outstanding loan balance is to be repaid within three (3) calendar years from the establishment of said annual assessments.

4. Scheduled Payments: Borrower shall make payments each fiscal year following the establishment of an annual assessment by a Proposition 218 Election. Such payments are due within thirty (30) days following the final closing of the Borrower’s Financial Books for each fiscal year. At a minimum, annual Scheduled Payments shall equal to one-third of the original principal amount.

5. Repayment Source: Borrower must maintain a positive cash balance of at least ten percent (10%) of its operating expenditure budget to be able to repay the loan; excess cash balance (over 10%) should be used to make scheduled payments and catch-up payments.

6. General Provisions: This Agreement constitutes the full Agreement by and between the parties and no other representations have been made regarding the contents of this Agreement. This Agreement shall not be amended, modified, or altered in any respect unless such amendment, modification or alteration has been reduced to writing and executed by both parties.

LENDER: County of Monterey

Fund Name: General Fund 001

By: _____
Chair Supervisor Luis A. Alejo

BORROWER: County Service Area 17 Tierra Grande

Fund Name: Fund No. 057

By: _____
Chair Supervisor Luis A. Alejo