

ORIGINAL

AGREEMENT FOR THE LOAN OF FUNDS TO COUNTY SERVICE AREA NO. 11 FROM THE COUNTY GENERAL FUND

This Agreement, entered into this _____ day of _____, 2003 by and between **COUNTY SERVICE AREA NO. 11** of the County of San Mateo, State of California, hereinafter called "CSA 11", and the **COUNTY OF SAN MATEO**, State of California, hereinafter called "COUNTY".

WITNESSETH:

WHEREAS, Section 25210.9c et seq. of the Government Code of the State of California provides that a board of supervisors of a county may lend available funds to a county service area; and

WHEREAS, CSA 11 has been offered a grant from the United States Department of Agriculture (USDA) in the amount of \$135,000 to partially fund the construction of a new well to serve CSA 11; and

WHEREAS, it is estimated that an additional \$165,000 will be needed to fund the new well; and

WHEREAS, the USDA requires that a source of any additional funds as may be necessary to fund the well be identified as a condition of receiving the grant; and

WHEREAS, the USDA further requires that if the source of the funds is a loan, that the term of the loan be not less than 40 years and that interest be not more than five percent (5%) per annum; and

WHEREAS, it is necessary and desirable that the sum of \$165,000 be advanced to

CSA 11.

NOW, THEREFORE, IT IS AGREED BY THE PARTIES HERETO as follows:

1. County agrees to lend CSA 11 the sum of \$165,000 for a period of not less than ten years. Said sum shall be lent from the County's General Fund.
2. Said loan shall automatically be extended up to three ten year periods if the loan plus interest is not repaid by the end of the first, second or third ten-year term.
3. CSA 11 agrees to pay interest on all funds owed County under terms of this Agreement at the rate equal to an annual interest rate of five percent (5%).
4. CSA 11 agrees that said advanced sums plus interest as provided herein shall be repaid to County on or before July 1, 2044.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

COUNTY SERVICE AREA NO. 11

By: _____
Rose Jacobs Gibson, President,
Board of Supervisors, the
Governing Board of said Service Area

ATTEST:

John L. Maltbie
County Manager / Clerk of Said Board

COUNTY OF SAN MATEO

By: _____
Rose Jacobs Gibson, President
Board of Supervisors, County of San Mateo

ATTEST:

John L. Maltbie
County Manager / Clerk of Said Board