

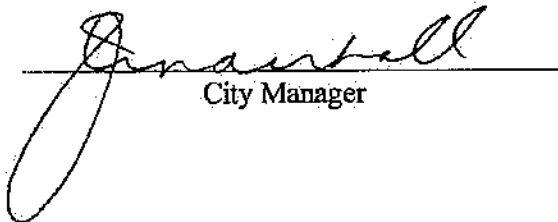
LOAN AGREEMENT BETWEEN CITY OF MERCED'S GENERAL
FUND (001) AND CITY OF MERCED'S COMMUNITY FACILITIES
DISTRICT PUBLIC SAFETY POLICE FUND (157)

The City of Merced's General Fund (001) agrees to loan the City of Merced's Community Facilities District Public Safety Police Fund (157) one hundred seventy seven thousand nine hundred thirty nine dollars (\$177,939) at an interest rate equal to the rate earned on the City's Investment Portfolio from date of loan. (October 28, 2005). Loan to be repaid from funds received by annual special tax apportioned among the lots or parcels of property within the district as available.

This agreement is hereby executed on December 5, 2005 in accordance with the authority granted by the approved budget for fiscal year 2005-06.

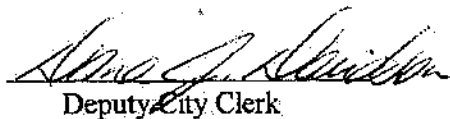
CITY MANAGER

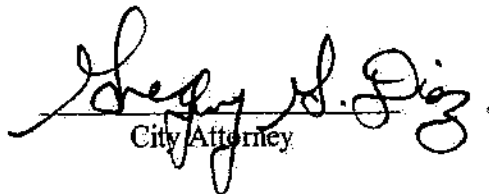
FINANCE OFFICER


City Manager


Finance Officer

ATTEST:


Deputy City Clerk


City Attorney