

POOLED CASH INTERFUND LOAN AGREEMENT

This Loan Agreement (“**Agreement**”) is executed as of _____, 2019, between the City of Merced General Fund (“**Borrower**”) and the City of Merced Pooled Cash Fund (“**Lender**”). Lender agrees to lend to Borrower, and Borrower agrees to repay to Lender an amount not to exceed the Principal Amount and interest accrued on the unpaid loan balance to fund the Due Diligence Review Obligations of the former RDA (“**Other Funds**”) and City Housing Successor Agency Low and Moderate Income Housing Fund (“**LMIHF**”), in accordance with the following:

- 1. Purpose of the Loan:** To provide funds for use by Borrower or its designee, to fund the Settlement Agreement between the City and the Department of Finance, Attachment A, and to remit the Due Diligence Review (“**DDR**”) Balance owed by the LMIHF and the former RDA pursuant to the settlement agreement. The loan shall account for borrowing between the Pooled Cash Fund and the General Fund, Fund No. 001 and shall not be available for appropriation except as provided for herein.
- 2. Principal Loan Amount:** The loan will be a tiered loan based upon actual cash necessary to meet the payment obligation under the settlement agreement; however, in no event will the loan amount exceed Seven Million Seven Hundred Twenty Thousand and no/100 Dollars (\$7,720,000). 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 on September 3, 2019. The outstanding loan balance is to be repaid no later than June 30, 2050.
- 4. Scheduled Payments:** Borrower shall make annual payments beginning on June 1, 2020.
- 5. Rate of Interest:** Interest shall accrue annually on June 30 on the outstanding loan balance at the City’s Investment Earnings of 2.22%. Loan interest will be recorded as revenue to the Lender and expenditure to the Borrower.
- 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.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: *Richard A. Ntn* *8/28/19*
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer