

INTERFUND LOAN AGREEMENT

This Loan Agreement (Agreement) is executed as of _____, 2018 (Effective Date), between the City of Fresno Wastewater Operation Fund and Sewer Stabilization Fund (Lender) and the City of Fresno General Fund (Borrower). Lender agrees to lend to Borrower, and Borrower agrees to repay Lender, an amount not to exceed the Principal Amount and interest accrued on the unpaid loan balance, in accordance with the following:

1. **Purpose of the Loan:** To provide funds for use by the Borrower or its designee to provide funding for the purchase of the Fire Department's Headquarters Building located at 911 H Street Fresno, CA.
2. **Principal Loan Amount:** Not to exceed \$3,100,000. 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 be five years, beginning on the Effective Date, and shall be repaid in full as of _____, 2023.
4. **Scheduled Payments.** Borrower shall make payments annually against principal and interest. The first payment shall commence on the date that is one year from the Effective Date of this Agreement. At a minimum, each annual scheduled payment shall equal the amount of any accrued interest through the date of payment, plus a principal payment equal to one-fifth (1/5) of the original principal amount. Payments will be credited first to interest then due, and then to principal. Borrower may make partial or complete payment of principal and earned interest at any time before its due date and without any prepayment penalty.
5. **Rate of Interest.** Interest shall accrue at a rate equal to the City's Pooled Investment Rate, fixed monthly, calculated and accrued in the same manner that the City would otherwise earn interest on the funds if deposited and earning interest as a pooled investment. The City's Pooled Investment Rate effective on the date of this Note is 1.3489%. 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.

LENDER

BORROWER

Wilma Quan-Schechter, City Manager
City of Fresno

Wilma Quan-Schechter, City Manager
City of Fresno