

LOAN AGREEMENT

THIS AGREEMENT ("Agreement") made and entered into this 23rd day of August 2022 ("Effective Date") by and between the Nevada County Sanitation District Number 1 ("Borrower") and the County of Nevada Fleet Management, a political subdivision of the State of California ("Lender"); collectively referred to herein as "Parties".

WHEREAS, the Nevada County Sanitation District No. 1 is exclusively using five (5) vehicles currently owned by the Nevada County Fleet Management Fund 4290, Exhibit A; and

WHEREAS, the Sanitation District No. 1, as an enterprise fund, must own its own assets; and

WHEREAS, the Sanitation District No. 1 currently does not have the financial ability to purchase the vehicles out right; and

WHEREAS, the Fleet Management Fund 4290 has the funds available to be loaned for this purpose; and

WHEREAS, a loan from Fleet Management Fund 4290 to the Sanitation District No. 1 Fund 4700 is authorized by Exhibit B.

The Parties agree as follows:

1. **Loan Amount.** Lender agrees to loan Borrower the principal sum of \$214,032 (the "Loan"), together with interest on the outstanding principal amount of the Loan, and in accordance with the terms set forth below.
2. **Repayment of Loan.**
 - A. The Parties agree that equipment will be owned by Sanitation District No. 1 as of July 1, 2022, and that the loan will be considered effective with interest accruing as of that same July 1, 2022, date.
 - B. The Parties further agree that quarterly payments in the amount of \$18,270.78 will be due at the end of every quarter, for the first 11 quarters. The final and 12th quarter will be a payment of \$18,271.01. The first payment is due by September 30, 2022, as per the amortization schedule, Exhibit B.
3. **Interest.** The Principal Balance shall bear interest at the rate of 1.49% commencing as of July 1, 2022.
- 4.
5. **Amendment.** This Agreement may be amended or modified only by written consent signed by both Parties.
6. **Notices.** Any notice or communication under this Loan must be in writing and sent via certified mail to the following:

NEVADA COUNTY SANITATION DISTRICT NO. 1
950 Maidu Avenue Suite 170

COUNTY OF NEVADA
Attn: Fleet Fiscal

PO Box 599002
Nevada City, CA 95959

12350 La Barr Meadows Rd., Suite 1
Grass Valley, CA 95949

7. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California and venue shall be in the County of Nevada, California.
8. **No Third-Party Beneficiaries.** The provisions herein are not intended for the benefit of any third party, but solely for the parties to this Agreement.
9. **Entire Agreement.** This Agreement contains the entire understanding between the Parties.
10. **Time of the Essence.** Time is of the essence in this Agreement, and all transactions contemplated hereby.

IN WITNESS WHEREOF, the Parties executed this Agreement on the dates reflected below.

COUNTY OF NEVADA,
a political subdivision of the State of California

By: _____ DATED: _____
Susan Hoek
Chairman, Nevada County Board of Supervisors

APPROVED AS TO FORM:

By: _____
Rhetta VanderPloeg
County Counsel

Nevada County Sanitation District Number 1

By: _____ DATED: _____
Ed Scofield
Vice-Chair Nevada County Sanitation District No. 1 Board of Directors