

RECORDED BY
MOTION OF CITY COUNCIL
MINUTES OF 10/27/89

RESOLUTION NO. 1901

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD
AUTHORIZING THE EXECUTION OF A MEMORANDUM OF
UNDERSTANDING BY AND BETWEEN THE CITY OF
SOLEDAD, THE CITIES OF GREENFIELD AND
KING, AND THE COUNTY OF MONTEREY, IN
CONNECTION WITH THE IMPLEMENTATION
OF THE MONTEREY COUNTY BUSINESS
DEVELOPMENT REVOLVING
LOAN FUND

BE IT HEREBY RESOLVED by the City Council of the City
of Soledad that the Mayor and City Clerk, be and they are
hereby authorized and directed for and in behalf of the City of
Soledad to execute and deliver a Memorandum of Understanding
(MOU) with the Cities of Greenfield and King, and the County of
Monterey, for the implementation of the Monterey County
Business Development Revolving Loan Fund.

PASSED AND ADOPTED by the City Council of the City of
Soledad at a regular meeting duly held on the 14th day of
February, 1989, by the following vote:


AYES, and in favor thereof, Councilmembers: Campos,
Holguin, Ledesma, Mayor Pro Tem Untalon, Mayor Ortiz

NOES, Councilmembers: None

ABSENT, Councilmembers: None


MAYOR OF THE CITY OF SOLEDAD

ATTEST:


CITY CLERK OF THE CITY OF SOLEDAD

MEMORANDUM OF UNDERSTANDING
(MONTEREY COUNTY REVOLVING LOAN FUND)

DATE: As of November __, 1988

PARTIES: CITY OF GREENFIELD
215 El Camino Real
Greenfield, California 93927

CITY OF KING
212 South Vanderhurst
King City, California 93930

CITY OF SOLEDAD
647 Front Street
Soledad, California 93960

herein after referred to as Cities, and

COUNTY OF MONTEREY (herein called "County")
240 Church Street
Salinas, California 93901

RECITALS

- 1 That County and Cities shall participate in a program to be known as the Monterey County Business Development Revolving Loan Fund, hereinafter to be called the "Fund", which entity shall be composed of a membership which shall function in the manner described in this Agreement and in the Revolving Loan Fund Administrative Plan (referenced as Exhibit A of Joint Powers Agreement) or as the same may be hereinafter amended.
- 2 That the objectives of the Fund shall be to support the expansion, retention and attraction of industry, commerce and agriculture located in Monterey County and encourage that area's balanced economic growth through the provision of below market rate financing. Within the County the Fund will accomplish the following objectives:
 - a. Expand, revitalize and encourage business development within the County of Monterey,
 - b. Increase employment opportunities for unemployed and low- to moderate-income persons within the County of Monterey, and
 - c. Meet the financing needs of the Monterey County business community
- 3 That County and Cities shall enter into a joint powers agreement to govern administration of revolving loan funds and for the purposes of securing a United States Economic Development Administration Grant to capitalize the fund in an amount not to exceed Three hundred thousand dollars (\$300,000).

AGREEMENTS

1. City and County agree that the foregoing recitals are true and correct.
- 2 The term of the agreement shall be in effect until January 1, 1999.
- 3 Parties agree that capitalization of the local match of One hundred thousand and no/100 dollars (\$100,000.00) and the EDA grant of up to Three hundred thousand and no/100 dollars (\$300,000.00) will enable the Fund to create initial reserves (defined as the local contribution from each participating jurisdiction plus a pro rata share of the EDA grant) of approximately One hundred thousand and no/100 dollars for each of the four

Exhibit A

parties to this Agreement for the purpose of financing the loans of qualified borrowers within each participating jurisdiction. The individual reserve amounts may thereafter be altered by any party in conformance with the provisions of Paragraph 8c of the Joint Power Agreement.

4. Parties agree that the primary goal of this Agreement will be to find, approve and make loans in each participating city and Monterey County. The disbursement of fifty percent (50%) of loan funds shall occur within eighteen (18) months, eighty percent (80%) within two (2) years, and one hundred percent (100%) within three (3) years. Disbursements made after eighteen (18) months will be made on a per demand basis as stipulated in Section 5.
5. Parties agree that at any time, a party to this Agreement may alter the reserve amount for the financing of loans within its jurisdiction. A party may buy-out all or part of another party's reserve or sell all or part of its reserve if there is a mutual agreement between the concerned parties on the terms of the transaction and the transaction is approved by a majority vote of the Loan Administration Board. Any Party with an unused portion of its Twenty-five thousand and no/100 dollars (\$25,000.00) contribution after eighteen (18) months may be subject to a buy-out on a pro rata basis by another party or parties based on approval by a majority vote of the Loan Administration Board. The method of transfer is described in the Administrative Plan incorporated as Exhibit A to this Agreement. Each jurisdiction will enjoy access to their match for loan purposes as well as EDA funds to be set-aside for a period up to eighteen (18) months at which time funds will be used by those communities with demand for RLF loan funds using buy-out provisions described in Section II, Part C -Targeting Criteria of the Joint Powers Agreement.
6. Parties agree that in the event of a loan default by a borrower, the amount of the unpaid obligation will be deducted from the reserve of the participating jurisdiction which submitted the loan application. In the event of recovery of project funds or any portion of the defaulted funds, said funds will be credited to the reserve of the participating jurisdiction which submitted the loan application
7. If the provisions of the Joint Powers Agreement between the Cities and County simultaneously entered into under separate Agreement are not substantially implemented within a reasonable time from the date of approval, this Agreement shall be considered null and void and shall be rescinded by the parties hereto
8. If the provisions of the Memorandum of Understanding between the Cities and County simultaneously entered into with this Agreement are not substantially implemented within a reasonable time from the date of approval, this Agreement shall be considered null and void and shall be rescinded by the parties hereto
9. Notice to the County shall be mailed or personally delivered as follows:

Monterey County Board of Supervisors
 Attention. County Administrative Office-Intergovernmental Affairs
 Salinas Courthouse
 240 Church Street
 Salinas, California 93901

10. Notice to the Cities shall be mailed or personally delivered as follows:

City Council
Attention City Manager
City of Greenfield
215 El Camino Real
Greenfield, California 93927

City Council
Attention City Manager
City of King
212 South Vanderhurst
King City, California 93930

City Council
Attention City Manager
City of Soledad
647 Front Street
Soledad, California 93960

11. It is agreed and understood by the parties hereto that this Agreement has been arrived at through negotiation and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654.

12. It is therefore agreed and understood that County and Cities shall enter into this Agreement to govern administration of revolving loan funds secured from the United States Economic Development Administration and from the participating jurisdictions referenced in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

COUNTY OF MONTEREY

By _____
Chairman of the Board of Supervisors

Approved as to Form

By _____
County Counsel

CITY OF GREENFIELD

By _____
Mayor

Approved as to Form

By John W. Hutson
City Attorney

CITY OF KING

By Stanley E. Brown
Mayor

Approved as to Form

By John W. Hutson
City Attorney

CITY OF SOLEDAD

By Richard [Signature]
Mayor

Approved as to Form

By John W. Hutson
City Attorney

(MOU RLF)11/22/88

