

RESOLUTION NO. 7-84

A RESOLUTION ACCEPTING LINE OF CREDIT
FROM SECURITY PACIFIC NATIONAL BANK AND
PROVIDING FOR MATTERS RELATED THERETO

RESOLVED, by the Board of Directors of the Sewer Authority Mid-Coastside, San Mateo, County, California, as follows:

WHEREAS, this Board of Directors of the Sewer Authority Mid-Coastside (herein "Authority"), a public entity duly organized and existing under and by virtue of Title 1, Division 7, Chapter 5 of the California Government Code and that certain joint powers agreement, entitled "An Agreement Creating the Sewer Authority Mid-Coastside" (herein "Agreement"), dated February 3, 1976, as amended, desires to borrow money for the purpose of paying lawful expenses of the Authority;

WHEREAS, Article II of said Agreement provides that the Authority has the power, in its own name, to incur debts, liabilities or obligations subject to the limitations set forth in the Agreement, and that such power is subject to the restrictions, upon the manner of exercising such power, as set forth in the Sanitary District Act of 1923, as amended;

WHEREAS, pursuant to Article V of said Agreement, this Authority has adopted its budget for Fiscal Year 1983-84 following approval of same by each of its member agencies;

WHEREAS, said Sanitary District Act (California Health and Safety Code Sections 6400 et. seq.) provides, at Section 6523.1, that this Authority may borrow money or incur an indebtedness; and

WHEREAS, Security Pacific National Bank (herein "Bank") has, by its proposal dated January 26, 1984, a copy of which is attached hereto as Exhibit "A", approved a \$500,000 line of credit for this Authority subject to certain conditions more particularly therein described.

NOW, THEREFORE, IT IS FOUND, DETERMINED and ORDERED as follows:

1. All of the above recitals are true and correct.
2. This Authority, pursuant to the provisions of Article II of the Agreement, and for the purpose of paying lawful expenses of the Authority, hereby accepts the Bank's proposal, dated January 26, 1984, a copy of which is attached hereto as Exhibit "A", to extend a line of credit to this Authority in an amount not to exceed \$500,000 in the aggregate outstanding at any one time, subject to the conditions therein set forth.
3. The Chairman is hereby authorized and directed to indicate this Authority's acceptance of said proposal by executing said proposal on behalf of this Authority, and the Secretary is hereby authorized and directed to countersign same.
4. The form of the note to be executed in furtherance thereof, as set forth in Exhibit "B" hereto, is hereby approved, and the Chairman is hereby authorized and directed to execute said note on behalf of this Authority and the Secretary is hereby authorized and directed to countersign same.
5. This Board shall, by resolution supplemental hereto, an executed copy of which shall be provided to said Bank, determine

from time to time the amount to be drawn on the line of credit. Following any such determination, the Manager is hereby then authorized and directed to execute a written request of the Bank in accordance therewith.

6. It is intended that at no time shall this Authority draw on the line of credit an amount which, with interest thereon to the anticipated date of repayment thereof, will exceed:

A. Moneys to be received from Federal and State agencies pursuant to the Clean Water Grant Program based upon grant amounts approved by said agencies; and

B. Moneys to be received by the Authority from its member agencies pursuant to a budget duly adopted by this Authority following member agency approval thereof.

7. The Secretary is hereby directed to provide an executed copy of this Resolution to the Bank at the address set forth in its proposal.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by the Board of Directors of the Sewer Authority Mid-Coastside at a regular meeting thereof held on the 27th day of February, 1984, by the following vote:

AYES, and in favor thereof, Directors: Bishop, Crawford,
Eriksen, Leger, Schuetrum,
NOES, Directors: None Shapira
ABSENT, Directors: None


Chairman
Sewer Authority Mid-Coastside

COUNTERSIGNED:


Secretary
Sewer Authority Mid-Coastside

WMAM:JLC:vae 02/27/84
RES4-84



SECURITY PACIFIC NATIONAL BANK

SAN MATEO INDUSTRIAL CENTER, 411 SO. EL CAMINO REAL, SAN MATEO • (415) 342-6733

MAILING ADDRESS: POST OFFICE BOX 1591, SAN MATEO, CALIFORNIA 94401

January 26, 1984

The Board of Directors
Sewer Authority Mid-Coastside
P. O. Box 862
Half Moon Bay, California 94019

Attention: Mr. William Heaslet
General Manager

Reference: \$500,000.00 Line of Credit

Dear Mr. Heaslet:

This bank has approved a \$500,000.00 line of credit for the Sewer Authority Mid-Coastside beginning February 1, 1984 and expiring February 1, 1985 (referred to herein as "Commitment"). The interest rate on any loans will be at a "fixed" rate of ten and one quarter percent (10¼%) per annum. Interest shall be computed on a basis of actual days elapsed divided by a 360 day year.

This commitment shall terminate at our option if, in our opinion, a material adverse change in the property, service prospects, excess revenue or financial condition of the Sewer Authority occurred or shall occur at any time prior to expiration of the Commitment.

The availability of this line is subject to the following conditions:

1. Security Pacific Bank in Half Moon Bay is to be the primary depository for the general and operating accounts of the Sewer Authority.
2. Quarterly cash flow projections and financial statements are to be prepared and submitted by the Sewer Authority within forty-five (45) days of the next quarter ending March 31, 1984.
3. Fiscal financial statements are to be prepared by an independent CPA with an unqualified opinion, both to be satisfactory to Security Pacific Bank. The statements are to be submitted within ninety (90) days of June 30, 1984.

The Board of Directors
Sewer Authority Mid-Coastside
January 26, 1984
Page 2

4. The Sewer Authority is to advise the bank of any litigation which has or may affect their present or future financial ability or position. At any time the bank may require the Sewer Authority to provide a legal opinion from your counsel. Such opinions shall set forth the status of any litigation or other proceeding pending or threatened against or affecting the Sewer Authority and statements that they are not in default with respect to any order, unit, injunction, decree or demand of any court or other governmental or regulatory authority.

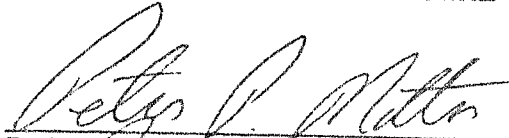
The Sewer Authority's failure to abide by the conditions set forth in this letter will, at our sole option, terminate the commitment and will make sums then outstanding immediately due and payable.

This proposal is subject to the Sewer Authority's acceptance prior to March 1, 1984.

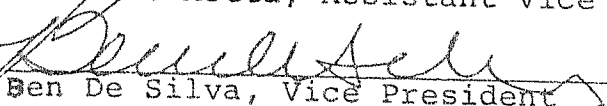
Please indicate your acceptance of this commitment by having the authorized members of your Board of Directors sign and return the copy of this letter in the enclosed envelope on or before March 1, 1984.

Very truly yours,

SECURITY PACIFIC NATIONAL BANK



Peter P. Motta, Assistant Vice President



Ben De Silva, Vice President

AGREED TO AND ACCEPTED THIS 27th DAY OF FEBRUARY, 1984 BY:

SEWER AUTHORITY MID-COASTSIDE

By: 
Jack C. Bishop

Title: Chairman

By: 
L. Paul Leger

Title: Secretary

By: _____

Title: _____

jjg
cc: Debra L. Cauble
Wilson, Morten, Assaf & McElligott

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P. O. Box 862
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EXHIBIT "A"

- 4. The Sewer Authority is to advise the bank of any litigation which has or may affect their present or future financial ability or position. At any time the bank may require the Sewer Authority to provide a legal opinion from your counsel. Such opinions shall set forth the status of any litigation or other proceeding pending or threatened against or affecting the Sewer Authority and statements that they are not in default with respect to any order, unit, injunction, decree or demand of any court or other governmental or regulatory authority.

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This proposal is subject to the Sewer Authority's acceptance prior to March 1, 1984.

Please indicate your acceptance of this commitment by having the authorized members of your Board of Directors sign and return the copy of this letter in the enclosed envelope on or before March 1, 1984.

Very truly yours,

SECURITY PACIFIC NATIONAL BANK


Peter P. Motta, Assistant Vice President


Den De Silva, Vice President

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 1984 BY:

SEWER AUTHORITY MID-COASTSIDE

By: _____ Title: _____

By: _____ Title: _____

By: _____ Title: _____

OPTIONAL ADVANCE NOTE

_____, California _____, 19__

On demand, or if no demand, on _____
the undersigned promises to pay to the order of Security Pacific National Bank ("Bank") at its _____

Office in the City of _____, California,
the sum of _____ Dollars
(In Words - Type Amount Of Advance Made At Signing)

(receipt of which is hereby acknowledged by the undersigned) plus such other and further sums as the holder hereof may hereafter loan or advance to or for the benefit of the undersigned in accordance with the terms hereof, together with interest thereon from the date of the respective advances hereunder at the rate of:

- (1) Fixed Rate: _____ percent per annum
- (2) Prime Rate: _____ percent per annum in excess of the Bank's prime rate as said prime rate may change from time to time with any changes in said prime rate becoming effective herein on the effective date of the change in said prime rate. As used herein, the term "prime rate" shall mean the floating commercial loan rate of the Bank, announced from time to time as its "prime rate". The Bank's prime rate in effect on _____, 19__ is _____ percent.
- (3) Agricultural Base Rate: _____ percent per annum, in excess of the Bank's agricultural base rate, as said agricultural base rate may change from time to time. Any change in said interest rate resulting from a change in said agricultural base rate shall be effective on the effective date of the change in said agricultural base rate. As used herein, the term "agricultural base rate" shall mean the floating commercial agricultural loan rate of the Bank, announced from time to time as its "agricultural base rate". The Bank's agricultural base rate in effect on _____, 19__ is _____ percent.

Interest shall be calculated on the basis of the actual number of days the unpaid principal balance is outstanding divided by a 360 day year, payable on the tenth day of each month beginning _____, 19__ and on maturity or demand, whichever is earlier. Any principal or interest not paid when due hereunder shall bear interest from its due date at the interest rate specified above. This note is subject to a minimum interest charge of \$ _____.

The undersigned shall pay to Bank on _____, 19__, a loan fee of \$ _____.

Upon failure to make any payment of principal or interest when due the then unpaid principal and interest shall be immediately due and payable, all without demand, presentment or notice. Principal and interest payable in lawful money of the United States. The undersigned further promises to pay all costs of collection, including reasonable attorneys' fees, incurred in the collection of this note.

Advances hereunder may be made by Bank at the ~~written~~ written request of WILLIAM S. HEASLET, MANAGER, who is ~~authorized to request advances and direct the disposition of any such advances until written notice of the revocation of such authority is received by the Bank at said Office. Any such advance shall be conclusively presumed to have been made to or for the benefit of the undersigned when made in accordance with such requests and directions, or when said advances are deposited to the credit of the account of the undersigned with said Bank regardless of the fact that persons other than those authorized hereunder may have authority to draw against such account.~~

The makers, sureties, guarantors and endorsers of this note hereby consent to renewals and extensions of time before or after the maturity hereof; hereby waive diligence, presentment, protest, demand and notice of every kind and (to the full extent permitted by law) the right to plead any statute of limitations as a defense to any demand hereunder or in connection with any security herefor; and hereby agree that no failure on the part of the holder of this note to exercise any power, right or privilege hereunder, or to insist upon prompt compliance with the terms hereof, shall constitute a waiver thereof.

SEWER AUTHORITY MID-COASTSIDE

By: _____
Chairman

COUNTERSIGNED

By: _____
Secretary



TRANSACTIONS ON WITHIN NOTE

Date	Interest Paid To	Interest Paid	Advances	Payments	Balance

