

FISCAL SERVICES AGREEMENT

1. This Agreement is entered into this date between the _____, hereafter referred to as "Depositor", and _____, hereafter referred to as "Fiscal Agent". The purpose of this Agreement is to assist Depositor in meeting the repayment provision of the _____ Program Loan Contract/Funding Agreement number _____ between Depositor and the State of California, Department of Water Resources, hereafter referred to as "Department". Said Loan Contract/Funding Agreement requires the Depositor to engage the services of a Fiscal Agent to assist in accumulating funds sufficient to repay principal and/or interest to the Department.

2. FISCAL AGENT agrees to act as Trustee for funds deposited, and is authorized by Depositor to act and perform services as follows:

A. Establish Fiscal Services account(s) (hereinafter Account) for purposes of this Agreement, identified as follows:

Account Number: _____

Account Name: _____

Account Number: _____

Account Name: _____

All funds required to be deposited or accumulated for purposes of this Agreement shall be deposited into the Account.

B. Promptly send a copy of the signature card to the Department and thereafter send a year-end statement of the Account balance until the loan is repaid in full.

This signature card(s) shall show Fiscal Agent as sole signator on the Account.

C. Release no funds except as provided in Subparagraph 2F, without written consent of the Department. Signature authority for withdrawal of funds shall remain with Fiscal Agent.

D. Receive _____ (specify) deposits from Depositor as specified in paragraph 3, into Account established under Subparagraph 2A of this Agreement.

E. Assist and advise Depositor to take into consideration rates of return on funds deposited, including higher yield accounts for Reserve Fund.

F. Receive invoices on behalf of Depositor and transmit payments to the Department in accordance with the terms and conditions of this Loan Contract/Funding Agreement summarized below:

Principal	_____
Interest Rate	_____
Loan Repayment Term	_____
First Semi-annual P&I Due Date	_____
Interest Payments During Construction	Variable see subparagraph 3B
Semi-annual P&I Payments	_____
Reserve Fund	_____

The Reserve Funds may be used to make the final two payments to the Department.

These terms and conditions may be subject to amendment as provided in the Loan Contract/Funding Agreement.

G. Promptly give written notice to the Department of any delinquency of deposits from Depositor. Notice shall be directed to the address referenced in Subparagraph 4D.

H. Promptly give written notice to the Department if Reserve Fund provided for in Subparagraph 3A falls below or is not accumulating sufficiently to meet the required minimum.

I. Upon request of the Department or Depositor, provide the Department with a full written statement of Depositor's Account.

3. DEPOSITOR agrees to perform as follows:

A. RESERVE FUND

1. Deposit a Reserve Fund to meet the conditions of Article _____ of the Loan Contract/Funding Agreement. Once accumulated, the Reserve Fund shall be maintained until the loan is repaid in full.

2. Deposit the Reserve Fund with the Fiscal Agent as follows:

- a) \$_____ per _____ beginning _____;
- or,
- b) Lump sum deposit of \$_____ by _____.

B. INTEREST PAYMENTS DURING CONSTRUCTION

The State will invoice Fiscal Agent, with a copy to Depositor, semi-annually for interest accrued during construction. During construction, it is anticipated that the amount due will vary with each invoice.

- 1. Deposit with the Fiscal Agent, not later than 15 days prior to any payment due date, an amount equal to amount of each said invoice.

C. PRINCIPAL AND INTEREST

- 1. Deposit with the Fiscal Agent an average of _____ per _____ beginning _____ in order to meet the semi-annual principal and/or interest payments due to the Department under the Loan Contract/Funding Agreement. This amount may be adjusted to reflect changes in terms of the Loan Contract/Funding Agreement agreed to by the parties thereto.

D. COMPENSATION OF FISCAL AGENT

- 1. Compensate Fiscal Agent for services as follows:

4. GENERAL TERMS

- A. This Agreement shall terminate when all amounts due to the State under the Loan Contract/Funding Agreement are paid in full. In addition, either party may terminate this Agreement with or without cause upon 90 days advance written notice to the other party and to the Department. Depositor shall within this 90-day period enter into a new Fiscal Service Agreement. Depositor's failure to maintain at all times a Fiscal Service Agreement shall be deemed Depositor's default under the Loan Contract/Funding Agreement.
- B. This Agreement shall not be amended without written approval of the Department.
- C. In performing its services hereunder, the Fiscal Agent shall incur no liability to the Department for the funds deposited hereunder or the amount of any payment to be made by Depositor to the Department provided the actions of the Fiscal Agent are taken in good faith.
- D. All notices required to be sent pursuant to this Agreement shall be sent to the following addresses and shall be sent by registered or certified mail. A change of address for delivery of notice may be made by either party by written notice of such change of address to the other party.

Depositor

Mailing Address

City _____ State _____ Zip Code _____

Phone No. _____

By _____
Signature

Print Name

Title

Fiscal Agent

Mailing Address

City _____ State _____ Zip Code _____

Phone No. _____

By _____
Signature

Print Name

Title

Approved:
STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Signature

Title Chief _____
Program: _____

Date _____

Department of Water Resources
Post Office Box:
Sacramento, California