

**Second Amendment to the
County of Humboldt Headwaters Revolving Loan Fund
Master Participation Agreement Between the County of Humboldt
and ACRATA ECONOMIC DEVELOPMENT CORPORATION (AEDC)**

This Second Amendment to the Master Loan Participation Agreement (Agreement) previously entered into April 8, 2014, by and between the County of Humboldt (Participant) and the Arcata Economic Development Corporation (Lender) (the Parties), is effective on this ____ day of ____, 2022.

RECITALS

- C. WHEREAS, the Parties entered into the Agreement to establish terms and conditions for Lender's participation in the Participant's Headwaters Fund Revolving Loan Fund Program (Loan Fund) as defined and described in The Headwaters Fund Revolving Loan Fund Lender Manual (Lender Manual), as amended from time to time;
- D. WHEREAS, the Parties adopted a First Amendment to the Agreement to incorporate specific changes in response to the COVID-19 pandemic in April 2020;
- E. WHEREAS, the Parties now wish to revise certain terms of the Agreement and the First Amendment in order to provide greater flexibility and ease of lending for the Parties.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual representations, covenants and agreements contained herein and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Section 16, Amounts Payable to Lender, is hereby amended as follows:

16. Amounts Payable to Lender. As stated in Section 2, Participant's purchase of the Participating Interest entails the right to receive specified funds paid in connection with the Participation Loan. Accordingly, Lender will be entitled to retain the following except as otherwise set forth in the applicable Participation Certificate:

- A. ~~If the total loan is less than \$300,000, thirty five percent (35%)~~ **Forty percent (40%)** of interest collected on the Participating Interest, ~~as a Service Fee. As of the date of this contract, new loans underwritten in the amount of \$300,000 or less cannot exceed 25% of the total Participant's portfolio, unless with prior consent of Participant.~~
- B. ~~If the total loan is greater than \$300,000, one percent (1%) will be collected on the unpaid balance as a Service Fee.~~

~~C.~~ B. Non-interest late charges arising in connection with the Participation Loan, but only after all interest payments are brought current;

D. C. Origination fees and related charges received by Lender in connection with the Participation Loan, but only after all interest payments are brought current.

2. All remaining provisions of the Agreement and First Amendment remain in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first herein above written.

(SEAL)

COUNTY OF HUMBOLDT

ATTEST:
CLERK OF THE BOARD

DEPUTY

BY: _____
CHAIR, BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT
STATE OF CALIFORNIA

LENDER

BY: Ross Welch

(Signature)

TITLE: EXECUTIVE DIRECTOR

(Print Title)

BY: Michael Kelly

(Signature)

TITLE: TREASURER

(Print Title)

APPROVED FOR INSURANCE
REQUIREMENTS

APPROVED TO FORM

BY: _____

Risk Management

BY: _____

County Counsel