

**FOURTH AMENDMENT TO THE HEADWATERS REVOLVING
LOAN FUND AGREEMENT BETWEEN THE COUNTY
OF HUMBOLDT AND REDWOOD REGION
ECONOMIC DEVELOPMENT COMMISSION**

This Fourth Amendment to the Headwaters Revolving Loan Fund Lender Agreement (the "Fourth Amendment:") is made and entered into, by and between, the County of Humboldt, a political subdivision of the State of California (County) and the Redwood Region Economic Development Commission, a California non-profit corporation ("Contractor"), and shall be effective on the last date signed below for the following considerations:

WHEREAS, on April 8, 2014, County and Contractor (collectively, the "Parties") entered into the "Headwaters Revolving Loan Fund Lender Agreement" (the "Agreement"), in order for Contractor to become a lender in the County's "Headwaters Fund Revolving Loan Fund Program" ("Program"); and

WHEREAS, under the Agreement, County initially awarded Contractor three million five hundred thousand dollars (\$3,500,000 to be used in accordance with the "Revolving Loan Fund Lender Manual" ("Lender Manual"), the Master Participation Agreement ("MPA"), and a participation certificate ("Participation Certificate") to be executed in connection with each loan made by Contractor; and

WHEREAS, as part of each Participation Certificate, Contractor agreed to sell and assign to County, and County agreed to purchase an undivided interest in the principal amount outstanding of the promissory note Contractor entered into with its borrowers ("Borrower"); and

WHEREAS, under the terms of the Participation Certificate, the loan involved would be considered close when all loan and security investments were duly executed, filed and recorded as evidenced by executed security agreements, guarantees, assignments, mortgages and/or financing statements in favor of Contractor; and

WHEREAS, in response to the economic effects the COVID-19 pandemic was having in the County, the County established a temporary Business Resiliency Emergency Loan Fund ("BRELF") to be effective for six (6) months and provide emergency working capital to local businesses in response to COVID-19; and

WHEREAS, on June 3, 2019, the BRELF program was amended to extend the term of the contract with CONTRACTOR through June 30, 2024; and

WHEREAS, to date, CONTRACTOR has issued thirty (31) loans under the BRELF program and differences have arisen among the Parties regarding the COVID-related BRELF loans, their Participation Agreements, and the funding and administration thereof; and

WHEREAS, the Parties seek to resolve their differences related to the BRELF COVID-related loans and reach an end, compromise, and settlement for all disputes existing and potentially existing between them regarding the COVID-related BRELF loans.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the Parties agree as follows:

- I. All Participation Certificates for COVID-related loans the County purchased from Contractor under the BRELF program shall be repurchased by Contractor from County under the following terms:
 - A. Contractor hereby agrees to repay County all outstanding principal and past due interest on outstanding BRELF COVID-related loans, as of April 30, 2022, at the rate of two and one-half percent (2.5%).
 - B. County agrees to exchange for Contractor's repayment outlined in Paragraph I.A, above, all of the BRELF COVID-related loan Participation Certificates and all interests therein the County previously purchased from Contractor.
 - C. Except as specifically provided in paragraph D., below, Contractor hereby agrees to make the payment set forth in paragraph I.A., above, in two (2) payments to County:
 1. One payment shall equal the aggregate principal and past due interest of all BRELF COVID-related loans which are current as of April 30, 2022 within thirty (30) days of executing this Fourth Amendment; and
 2. The other payment shall be made no later than thirty (30) days after the first payment described in paragraph I.C.1., above, and shall contain the aggregate of all non-performing BRELF COVID-related loans as of April 30, 2022.
 - D. Contractor hereby agrees to repay County the principal balance on any and all loans having entered into default along with the payment described in paragraph I.C.2.
- II. Except as expressly modified herein, all terms and conditions of the Agreement as previously amended remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment as of the date last written below:

**Redwood Region Economic Development
Commission**

County of Humboldt

By: _____

Name: _____

Title: _____

Date: _____

By: Virginia Bass

Name: Virginia Bass

Title: Chair, Board of Supervisors

Date: 8/10/22