

**THIRD AMENDMENT TO THE HEADWATERS REVOLVING  
LOAN FUND AGREEMENT BETWEEN THE COUNTY  
OF HUMBOLDT AND ARCATA  
ECONOMIC DEVELOPMENT CORPORATION**

This Third Amendment to the Headwaters Revolving Loan Fund Lender Agreement, as previously amended on 6/18/19 and 3/20/20 by and between the County of Humboldt, a political subdivision of the State of California (“County”), and the Arcata Economic Development Corporation, a California non-profit corporation (“Contractor”), is entered into this \_\_\_\_ day of \_\_\_\_\_, 2024.

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 closed 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, on June 18, 2019, the agreement was amended to extend the term of the contract with Contractor through June 30, 2024; and

WHEREAS, in response to the economic effects of the COVID-19 pandemic 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, the Parties now seek to extend the Lender Agreements to facilitate further lending activity by the Contractor under the agreement through June 30<sup>th</sup>, 2026; and

WHEREAS, the Parties also seek to increase the amount of funding available to Contractor under the agreement.

NOW, THEREFORE, the Parties mutually agree as follows:

1. Section 1.1 of the Agreement is hereby amended to increase the funding available to \$5,000,000 for loan participation by the COUNTY.
2. Section 6.1 of the Agreement is hereby amended to extend the term of the Agreement to June 30<sup>th</sup>, 2026.
3. Except as expressly modified herein, all terms and conditions of the Agreement as previously amended remain in full force and effect. In the event of a conflict between the provisions of this Third Amendment and the original Agreement, or any prior amendments thereto, the provisions of this Third Amendment shall govern.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the date first written above.

**Arcata Economic Development  
Corporation**

**County of Humboldt**

By: Ross Welch

By: \_\_\_\_\_

Name: ROSS WELCH

Name: \_\_\_\_\_

Title: EXECUTIVE DIRECTOR

Title: \_\_\_\_\_

Date: 4-23-2024

Date: \_\_\_\_\_