

**First Amendment to**  
**County of Humboldt**  
**Headwaters Revolving Loan Fund**  
**Lender Agreement**

This Agreement, made as of this 31<sup>st</sup> day of May, 2016, amends the agreement by and between the Redwood Region Economic Development Commission, a joint powers authority having a place of business in Eureka, California and a mailing address of 520 E Street, Eureka, CA ("Contractor"), and the County of Humboldt, ("County"), for participation in the Headwaters Fund Revolving Loan Fund Program ("Program").

Section I. currently reads:

**I. AWARD and DISBURSEMENT**

- 1.1 The County hereby awards to Contractor and agrees to make available to Contractor from the Fund, during the term of this Agreement, unless sooner terminated in accordance with its provisions, an amount not to exceed the principal sum of three million five hundred thousand dollars (\$3,500,000). The total of these funds may not be available if other requests for loan funds are approved by the County prior to the full disbursement of the three million five hundred thousand dollars (\$3,500,000).

Section I. is modified to read as follows, per the Board approved MOU, dated x/x/2016:

**I. AWARD and DISBURSEMENT**

- 1.1 The County hereby awards to Contractor and agrees to make available to Contractor from the Fund, during the term of this Agreement, unless sooner terminated in accordance with its provisions, an amount not to exceed the principal sum of three million five hundred thousand dollars (\$3,500,000).  
The loan pool is split into two categories: Traditional and EDA Match.

Traditional: The total of these funds (\$2,500,000) may not be available if other requests for loan funds are approved by the County prior to the full disbursement of the two million five hundred thousand dollars (\$2,500,000).

EDA Match: The total of these funds (\$1,000,000) are available exclusively for participation in EDA RLF funded loans only.

Section III. currently reads:

**III. CONTRACTOR'S LENDING RESPONSIBILITIES**

- 3.7 Loan Guidelines. Contractor agrees to make loans to borrowers only in compliance with the Lender Manual and the following loan guidelines:

- (a) The size of the combined loan from the County and Contractor will be no less than \$25,000, no more than \$200,000 (with exceptions) for start-up firms, as defined in the Lender Manual Section 9, and no more than \$800,000 for all other borrowers;
- (b) For loan origination fees to borrowers, Contractor will charge the lesser of 2% of the loan amount or the lowest fee structure charged under Contractor's other loan programs;
- (c) For interest rates to borrowers, Contractor will charge borrowers the same rates charged under Contractor's other loan programs, within the range of 5-12% interest, unless express written permission from County to exceed this parameter is granted;
- (d) For loan servicing fees, Contractor will charge borrowers the same rates charged under Contractor's other loan programs;
- (e) For collateral discounting, Contractor will use the more conservative (i.e. lower loan-to-value ratio) of Contractor's policy or the following loan-to-value ratios – real estate (90%), equipment (50%), inventory and accounts receivable (20%), furniture/fixture (10%).

Section III. is modified to read as follows, per the Board approved MOU, approved on 5/31/2016:

### **III. CONTRACTOR'S LENDING RESPONSIBILITIES**

#### **3.7 Loan Guidelines.**

Contractor agrees to make loans from the Traditional loan pool to borrowers only in compliance with the Lender Manual and the following loan guidelines:

- (a) The size of the combined loan from the County and Contractor will be no less than \$25,000, no more than \$200,000 (with exceptions) for start-up firms, as defined in the Lender Manual Section 9, and no more than \$800,000 for all other borrowers;
- (b) For loan origination fees to borrowers, Contractor will charge the lesser of 2% of the loan amount or the lowest fee structure charged under Contractor's other loan programs;
- (c) For interest rates to borrowers, Contractor will charge borrowers the same rates charged under Contractor's other loan programs, within the range of 5-12% interest, unless express written permission from County to exceed this parameter is granted;
- (d) For loan servicing fees, Contractor will charge borrowers the same rates charged under Contractor's other loan programs;
- (e) For collateral discounting, Contractor will use the more conservative (i.e. lower loan-to-value ratio) of Contractor's policy or the following loan-to-value ratios – real estate (90%), equipment (50%), inventory and accounts receivable (20%), furniture/fixture (10%).

Contractor agrees to make loans from the EDA Match loan pool to borrowers only in compliance with the Lender Manual, the loan guidelines outlined in Section III. 3.7 Loan Guidelines, and the Standard Terms and Conditions set forth in Attachment A of the MOU between RREDC and HWF, dated May \_\_\_\_, 2016.

All other terms and conditions of the Agreement entered into on July 1, 2008 referenced above shall remain in full force and effect, except as otherwise specifically amended herein.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first herein above written:

(SEAL)

COUNTY OF HUMBOLDT

ATTEST:  
CLERK OF THE BOARD

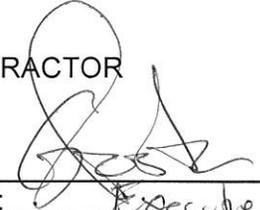
  
DEPUTY

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

CONTRACTOR

BY: Nancy Koke  
TITLE: RREDC Board Chair  
(Corporate Officer)

CONTRACTOR

  
BY: \_\_\_\_\_  
TITLE: Executive Director  
(Corporate Officer)