

THIRD AMENDMENT TO AGREEMENT FOR CASH ADVANCES AND REPAYMENT

This Third Amendment ("Third Amendment") to Agreement for Cash Advances and Repayment ("Agreement") is made and entered into by and between the COUNTY OF FRESNO, a political subdivision of the State of California ("Fresno") and the San Joaquin Valley Insurance Authority ("SJVIA," or "the Authority"). Fresno and SJVIA each are a "Party" to the Agreement; and Fresno and SJVIA collectively are the "Parties" to the Agreement.

RECITALS

Fresno and the SJVIA entered into the Agreement (County of Fresno Agreement No. 16-049), effective as of December 23, 2015, to provide for a cash advance of up to \$2,000,000 to the SJVIA.

The County of Tulare ("Tulare") and the SJVIA entered into an Agreement for Cash Advances and Repayment (County of Tulare Agreement No. 27772) ("Tulare Agreement"), effective as of July 19, 2016, to provide for a cash advance of up to \$2,000,000 to the SJVIA.

On December 13, 2016, Fresno and the SJVIA amended the Agreement (County of Fresno Agreement No. 16-703) to increase the amount of Fresno's cash advance to the SJVIA to a total of up to \$5,000,000, and to extend the term of the Agreement and provide for repayment no later than December 30, 2021. In 2017, Fresno and the SJVIA further amended the Agreement (County of Fresno Agreement No. 17-188) to increase the amount of Fresno's potential cash advance to the SJVIA to a total of \$8,000,000.

On December 20, 2016, Tulare and the SJVIA amended the Tulare Agreement (County of Tulare Agreement No. 27772-A) to increase the amount of Tulare's cash advance to the SJVIA to a total of up to \$4,000,000, and to extend the term of the Agreement and provide for repayment no later than June 30, 2018.

Fresno has advanced \$5,000,000 to the SJVIA and Tulare has advanced \$4,000,000 to the SJVIA.

On May 4, 2018, the SJVIA's Board of Directors expressed its desire to extend the date of repayment of the cash advances made by Tulare and to ensure that the solvency of the SJVIA remains foremost and to provide for building reserves. The SJVIA's Board of Directors also directed that the Agreement and the Tulare Agreement should be further amended to provide dollar-for-dollar repayment of Fresno and Tulare ending no later than December 30, 2021.

The Parties now desire to further amend the Agreement consistent with the direction from the SJVIA's Board of Directors, as provided in this Third Amendment.

The Parties therefore agree as follows:

1. Article III, Section F, of the Agreement is hereby amended to state, in full:

"F. The SJVIA shall repay in full to Fresno the amount or amounts advanced by Fresno to the SJVIA under this Agreement, plus accrued interest at the County of Fresno Treasury Pool interest rate on the unpaid balance advanced by Fresno to the SJVIA, until all such amounts are fully paid by SJVIA to Fresno, which shall in any event be at the earlier of:

1. When there is sufficient cash balance in SJVIA's Chase Bank account to cover regular SJVIA cash flow needs, as determined by SJVIA Manager and SJVIA Auditor-Treasurer; or
2. December 30, 2021.

If Tulare provides any amount of funds to SJVIA, as its own separate advance pursuant to the Tulare – SJVIA Cash Advance and Repayment Agreement referenced in the preceding Paragraph II.A., then Fresno and Tulare shall be repaid simultaneously and dollar-for-dollar. Fresno acknowledges that, because Fresno has advanced \$5,000,000 while Tulare has advanced \$4,000,000, the preceding sentence means that Tulare may be paid in full before Fresno is paid in full.

To avoid unnecessary amounts advanced by Fresno and Tulare, the SJVIA may repay a portion of any advance, subject to the terms and conditions of this Agreement, without affecting the SJVIA's right to request an advance under this Agreement, provided that such repayment complies with the foregoing provisions of this Section III.F."

2. All terms, conditions, mutual covenants, and promises contained in the Agreement, as previously amended, remain in full force and effect except as amended above.

[SIGNATURE PAGE FOLLOWS]

Each Party is signing this Third Amendment to Agreement for Cash Advances and Repayment as of the date indicated in its signature block below.

SAN JOAQUIN VALLEY INSURANCE
AUTHORITY

COUNTY OF FRESNO

Date: 8-24-18

Date: 8-7-18


By: 

Buddy Mendes, President of the
Board of Directors of the SJVIA

By: 

Sal Quintero, Chairperson of the
Board of Supervisors of the County of
Fresno

Attest:
Bernice E. Seidel
Clerk of the Board of Supervisors
County of Fresno, State of California

By: 
Deputy