

AMENDMENT NO. 1 TO AGREEMENT
FOR CASH ADVANCES AND REPAYMENT

This Amendment No. 1 ("Amendment No.1") to Agreement for Cash Advances and Repayment ("Agreement") is made and entered into as of December 20, 2016 by and between the COUNTY OF TULARE, a political subdivision of the State of California ("Tulare") and the SAN JOAQUIN VALLEY INSURANCE AUTHORITY, a joint powers agency ("SJVIA," or "the Authority"). Tulare and SJVIA each are a "Party" to the Agreement; and Tulare and SJVIA collectively are the "Parties" to the Agreement.

WHEREAS, Tulare and SJVIA entered into the Agreement (County of Tulare Agreement No. 27772), effective July 19, 2016; and

WHEREAS, on November 18, 2016, Tulare has advanced \$2,000,000 to SJVIA, thus making a maximum of an additional \$2,000,000 available subject to the terms and conditions below; and

WHEREAS, Tulare and SJVIA now desire to amend the Agreement, to increase the amount of cash to be advanced thereunder to provide an additional \$2,000,000, for 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; and

WHEREAS, in a meeting of SJVIA's Board of Directors held on December 8, 2016, SJVIA authorized its President to execute this Amendment on behalf of SJVIA promptly following approval of this Amendment on Tulare's behalf by the Tulare County Board of Supervisors.

NOW THEREFORE, in consideration of their mutual promises, covenants and conditions, hereinafter set forth, the sufficiency of which is acknowledged, the Parties agree as follows.

1. The first sentence of Article II, Section A of the Agreement is hereby amended to state:

"A. This Agreement is made in furtherance of the determination by the SJVIA Board to request that Tulare and Fresno, which are two of the members of SJVIA, each make available an additional \$2,000,000, up to a total of \$4,000,000 each, to SJVIA, to temporarily assist SJVIA in managing its cash flow."

2. Article III, Section A of the Agreement is hereby amended to state:

"A. Tulare has made or will make available an additional \$2,000,000, up to a total of \$4,000,000, to SJVIA under the terms and conditions of this Agreement, provided that Fresno is current and remains current on its payments to SJVIA. Fresno must become and remain current on its payments to SJVIA as a condition precedent to Tulare providing any funds to SJVIA pursuant to this Agreement. Tulare shall retain custody of all funds until this condition precedent is satisfied and SJVIA needs Tulare's funds

to actually pay claims. Tulare's funds will not be made available to pay for SJVIA's administrative support."

3. The first paragraph of Article III, Section C of the Agreement is hereby amended to state:

"C. The Parties desire for the SJVIA Auditor-Treasurer to have the flexibility to match SJVIA's need for funds to the amount of the request for such funds, up to the maximum amount of the available funds under the Agreement. To that end, from time to time as the need arises during the term of this Agreement, but no later than March 31, 2017, the SJVIA Auditor-Treasurer may, with the written concurrence of the SJVIA Manager, make a written request to the Tulare County Administrative Officer for a cash advance to the SJVIA up to the maximum amount of the funds made available by Tulare under this Agreement. Such written request and written concurrence made on behalf of SJVIA may be transmitted by email to the Tulare County Administrative Officer."

4. The last sentence of Article III, Section D of the Agreement is hereby amended to state:

"If the Tulare County Administrative Officer informs the SJVIA Auditor-Treasurer of Tulare approval of the requested advance, then Tulare shall make available to SJVIA 100 percent of the requested advance, up to the maximum amount of Tulare's available funds under this Agreement, provided that the SJVIA Auditor-Treasurer first certifies to the Tulare County Administrative Officer that SJVIA has already requested and received advances from Fresno of at least the amount then being requested from Tulare.

5. Article III, Section F of the Agreement is hereby amended to state:

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

1. When there is sufficient cash balance in SJVIA's bank accounts to cover regular SJVIA cash flow needs, as determined in writing by SJVIA Manager and SJVIA Auditor-Treasurer, and verified by Tulare; or
2. June 30, 2018.

If Fresno provides any amount of funds to SJVIA, as its own separate advance pursuant to the Fresno-SJVIA Cash Advance and Repayment Agreement referenced

in the preceding Article II, Section A, then Tulare and Fresno shall be repaid simultaneously based on the principal amount advanced by each of them to SJVIA.

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

6. Article IV, Section A of the Agreement is hereby amended to state:

"A. TERM: This Agreement is effective July 19, 2016, and this Agreement shall continue in full force and effect through and including June 30, 2018; provided, that SJVIA's obligation to repay all advances, plus accrued interest at the County of Tulare Treasury Pool interest rate on the unpaid balance advanced by Tulare to SJVIA, until all such amounts are fully repaid by SJVIA, and to perform any other obligations of SJVIA under this Agreement, shall survive the termination of this Agreement. Any action taken by any of the officers or employees of the Parties hereto prior to the Parties' approval and execution of this Agreement is hereby affirmed, approved, and ratified."

7. As a further condition precedent to Tulare providing funds to SJVIA under the Agreement, as amended herein, SJVIA must cooperate with Tulare in all audits, inquiries, and investigations concerning the financial solvency of SJVIA, which cooperation shall include, but not necessarily be limited to, SJVIA's disclosure to Tulare of otherwise confidential communications and information and SJVIA's waiver with respect to Tulare of the attorney-client privilege and the attorney work-product protection for such communications and information.

8. This Amendment No. 1 may be executed in one or more original counterparts, all of which together constitute the same agreement.

9. This Amendment No. 1 shall take effect immediately upon its approval by the Tulare County Board of Supervisors. All other terms, conditions, mutual covenants, and promises contained in the Agreement shall remain in full force and effect except as amended hereinabove.

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[Signatures follow on next page]

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IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 to Agreement for Cash Advances and Repayment as of the date and year first written above.

COUNTY OF TULARE

By: Mike Egan
Chairman, Board of Supervisors

ATTEST: MICHAEL C. SPATA, COUNTY ADMINISTRATIVE OFFICER/CLERK OF THE BOARD OF SUPERVISORS

By: Debbie C. Ybarra
Deputy



APPROVED AS TO LEGAL FORM:
COUNTY COUNSEL

By: Joseph L. [Signature]
Deputy # 20161127

SAN JOAQUIN VALLEY INSURANCE AUTHORITY

By: [Signature]
President, Board of Directors

REVIEWED AND RECOMMENDED FOR APPROVAL

By: Paul Nerland
Paul Nerland, Manager

APPROVED AS TO LEGAL FORM:
AUTHORITY COUNSEL

By: Peter Wall
Peter Wall, SJVIA Counsel