

**FIRST AMENDMENT TO LIMITED OBLIGATION NOTE  
AND LOAN DOCUMENTS**

This **FIRST AMENDMENT TO LIMITED OBLIGATION NOTE AND LOAN DOCUMENTS** (this “Amendment”) is entered in as of December \_\_\_\_, 2020 (“Effective Date”), by and between the Humboldt Bay Harbor, Recreation and Conservation District, a public entity (referred to as “Borrower”), and Coast Seafoods Company, a Washington corporation (referred to as “Lender”). Collectively, Borrower and Lender are referred to herein as the “Parties”.

**Recitals**

A. Borrower and Lender are parties to that certain Credit Agreement dated as of May 27, 2014 (as amended, amended and restated, supplemented, or otherwise modified from time to time in accordance with its provisions, the “**Credit Agreement**”) pursuant to which Lender made advances to Borrower in the original principal amount of \$1,168,560 (the “**Loan**”) as further evidenced by that certain Limited Obligation Note dated May 27, 2014 (the “**Note**”) made by Borrower to the order of Lender. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Credit Agreement.

B. As security for all of the indebtedness and obligations due to Lender under the Loan Agreement (collectively, the “**Obligations**”), Borrower executed and delivered to Lender a certain Security Agreement dated as of May 27, 2014 (the “**Security Agreement**”), granting to Lenders a security interest in the collateral, as defined in the Security Agreement (the “**Collateral**”). Collectively, the Credit Agreement, Note, and the Security Agreement are referred to as the “Loan Documents”.

C. As set forth in the Note, Borrower was obligated to pay to Lender all accrued and unpaid interest and principal on the Maturity Date, which is defined in Section 4 of the Note to be four (4) years after the first funds were first advanced to Borrower pursuant to the Note. Borrower and Lender agree that the Maturity Date was May 1, 2018 (the “**Original Maturity Date**”).

D. Borrower, as lessor, and Lender, as lessee, are also parties to that certain Amended and Restated Tide and Submerged Land Lease dated September 10, 2015 (the “**Lease**”). The Lease and the Lease Addendum Revenue as Revenue Source for Limited Obligation Note dated May 27, 2014 integrated therein contemplates lease revenues paid to Borrower as a source of funds to be used to repay the Loan.

E. Borrower, as lessor, and Lender, as lessee are also parties to related lease agreements requiring monthly rent in the amount of \$4,441.02 for “RT2 Revenue GNT for Space No. Rt2H” (“**Lease No. RT2H**”) and quarterly rent in the amount of \$9,718.14 for “Tideland Lease for Space No. TL02” (“**Lease No. TL02**”). As of November 30, 2019, the amount of unpaid rent and utility charges owed by Lender to Borrower under the Lease, Lease No. RT2H, and/or Lease No. TL02 is \$199,954.

F. Following Original Maturity Date, Borrower and Lender have engaged in discussions to extend the Original Maturity Date and payment terms, and Borrower and Lender intend, by this Amendment, to extend the Original Maturity Date to April 30, 2023, and to provide for repayment of the Loan as set forth below.

NOW, THEREFORE, for valuable consideration the receipt of which is acknowledged, the Parties agree to amend the Note as follows:

**Section 1. Amendment to Section 1 of the Note.** Notwithstanding Section 1 of the Note, during the period of May 1, 2018, through and including March 30, 2020, the principal balance of the Note, as amended by this Amendment, shall bear interest (computed on the basis of a 360-day year, actual days elapsed) at four and three-quarters percent (4.75%) per annum, compounded annually, or at the interest rate allowable under California Government Code section 53530 *et seq.*, whichever is lower. Commencing on and after April 1, 2020, the principal balance of the Note, as amended by this Amendment, shall bear interest (computed on the basis of a 360-day year, actual days elapsed) at the Bank Prime Loan rate as determined by the Federal Reserve (“*Prime Rate*”) per annum, compounded annually, or at the interest rate allowable under California Government Code section 53530 *et seq.*, whichever is lower. As of the Effective Date of this Amendment, the Prime Rate is Three and One Quarter percent (3.25%).

**Section 2. Amendment to Section 2 of the Note.** Section 2 of the Note is deleted in its entirety and replaced with the following:

**2. Payments.** All principal and accrued interest shall be payable at set forth in Exhibit A to this Amendment, which exhibit is incorporated herein by this reference. All unpaid principal and accrued, but unpaid, interest shall be due and payable, in full, on the Maturity Date, as amended by this Amendment.

**Section 3. Amendment to Section 3 of the Note.** The Parties agree that the term “Maturity Date” as used in the Note and in the Loan Documents shall be amended to be April 30, 2023.

**Section 4. Continuation of Note.** Except as expressly amended herein, all terms and conditions of the Note and the Loan Documents shall remain in full force and effect. Borrower represents and warrants to Lender that the representations and warranties contained in Section 7 of the Note remain accurate and valid as applied to the Note and this Amendment.

**Section 5. Remedies.** In addition to any remedies provided in the Loan Documents, immediately upon the occurrence of a Default (as described in Section 9 of the Note), and without further written notice to Borrower:

5.1 Lender shall be entitled to exercise any or all of its rights and remedies under the Loan Documents, this Amendment, or any stipulations or other documents executed in connection with or related to this Amendment or any of the Loan Documents, or applicable law, including, without limitation, the appointment of a receiver.

5.2 Borrower shall cooperate with Lender's repossession of all personal property Collateral, which Borrower shall immediately surrender to Agent upon Agent's request, at the time and place designated by Agent.

5.3 Lender may set off or apply to the payment of any or all of the Obligations, any money, whether under the Lease or otherwise, now or hereafter owed by Lender to Borrower.

**Section 6. Amendment to Exhibit A to Security Agreement.** Exhibit A to the Security Agreement is hereby amended to include (a) proceeds of judgments, settlements or other consideration of any kind in connection with any cause of action, (b) proceeds of any indemnity payments, (c) the payments described in Section 5.1 to Exhibit A to this Amendment.

In witness hereof, Borrower and Lender have executed this Amendment as of the Effective Date.

**BORROWER:**

Humboldt Bay Harbor, Recreation and Conservation District

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LENDER:**

Coast Seafoods Company, a Washington corporation

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

List of Exhibits

**Exhibit A – Payment Schedule**

## **Exhibit A – Payment Schedule**

**Section 1. Prior Payments.** All payments made by Borrower to Lender against the Loan during the period of the Original Maturity Date (i.e., May 1, 2018) and the Effective Date of this Amendment shall be applied to the Loan balance. Lender acknowledges receipt of the following Loan payments by Lender during the period from the Original Maturity Date (i.e., May 1, 2018) and the date of this Amendment (i.e., December \_\_\_\_\_, 2020):

- \$83,717.00 paid by Borrower to Lender on August 12, 2019;
- \$23,910.00 paid by Borrower to Lender on September 3, 2019;
- \$35,862.00 paid by Borrower to Lender on November 8, 2019;
- \$13,000.00 paid by Borrower to Lender on or about December 1, 2019;
- \$13,000.00 paid by Borrower to Lender on or about January 1, 2020;
- \$13,000.00 paid by Borrower to Lender on or about February 1, 2020;
- \$13,000.00 paid by Borrower to Lender on or about March 1, 2020;
- \$13,000.00 paid by Borrower to Lender on or about April 1, 2020;
- \$13,000.00 paid by Borrower to Lender on or about May 1, 2020;
- \$13,000.00 paid by Borrower to Lender on or about June 1, 2020;
- \$13,000.00 paid by Borrower to Lender on or about July 1, 2020;
- \$13,000.00 paid by Borrower to Lender on or about August 1, 2020;
- \$13,000.00 paid by Borrower to Lender on or about September 1, 2020;
- \$13,000.00 paid by Borrower to Lender on or about October 1, 2020;
- \$13,000.00 paid by Borrower to Lender on or about November 1, 2020; and
- \$13,000.00 paid by Borrower to Lender on or about December 1, 2020.

### **Section 2. Credit Against Principal Sum for Lender’s Outstanding Lease Payments.**

**2.1 Outstanding Rent Through November 30, 2019 Applied.** As of November 30, 2019, the amount of unpaid rent and utility charges owed by Lender to Borrower under the Lease, Lease No. RT2H, and/or Lease No. TL02 is \$199,954. The amount of \$199,954 shall be paid by Lender to Borrower as a credit against the principal sum due under the Loan as of November 30, 2019.

**2.2 Rent Accruing after Effective Date.** It is agreed between Borrower and Lender that commencing on the first day of the first calendar month following the Effective Date of this Amendment, all payments due by Lender to Borrower under the Lease, Lease No. RT2H, and/or Lease No. TL02 shall not be paid by Lender as a credit against the Loan, but as separate and distinct payments from Lender to Borrower.

### **Section 3. Monthly Payments.** After the application of the prior payments and credits set forth in

Section 1 and Section 2 of this Exhibit A against the Loan balance, Borrower shall pay to Lender, on the first of each calendar month following the Effective Date of this Amendment, an amount equal to thirteen thousand dollars and no cents (\$13,000.00). As of November 30, 2020, the outstanding Loan balance is \$793,815.

**Section 4. Annual Principal Pay Down.** In addition to the monthly payments described in Section 3 of this Exhibit A, and subject to the outstanding principal and unpaid interest at the time of any payment required by this Section 4, Borrower shall pay to Lender an amount equal to forty thousand dollars and no cents (\$40,000.00) on each of the following dates January 1, 2021, January 1, 2022, and January 1, 2023.

**Section 5. Additional Principal Pay Downs Upon Satisfaction of Conditions.** In addition to the monthly and annual payments described in Sections 3 and 4 of this Exhibit A, respectively, and subject to the outstanding principal and unpaid interest at the time of any payment required by this Section 5, Borrower shall pay to Lender, as an additional payment of outstanding principal, the following payments within forty-five days of the Borrower's receipt of said payments, but in no event in an amount in excess of the Loan balance existing as of the payment date:

-The four hundred and twenty-five thousand dollar and no cent (\$425,000.00) payment described in Section 4(b) of the Lease and Easement Agreement dated November 19, 2020, between Borrower and RTI Infrastructure, Inc.

-The five hundred thousand dollar and no cent (\$500,000.00) payment described in Section 5.2 of Rider A of the Sublease dated February 11, 2019, between Borrower and Nordic Aquafarms California, LLC.

**Section 6. Balloon Payment.** On the Maturity Date (i.e., April 30, 2023), Borrower shall pay to Lender an amount equal to all outstanding principal, if any, and unpaid interest, if any, as of the Maturity Date.

**Section 7. No Prepayment Penalty.** It is agreed by and between Lender and Borrower that Borrower may pay all or a portion of the Loan balance prior to the Maturity Date without penalty.