

RESOLUTION NO. 25-103

RESOLUTION OF THE MENDOCINO COUNTY BOARD OF SUPERVISORS AUTHORIZING THE EXECUTION OF SUBORDINATION AGREEMENTS AND OTHER ACTS RELATED TO THE COMMUNITY DEVELOPMENT LOAN FOR AGWOOD MILL & LUMBER CO.

WHEREAS, on November 10, 2009, the Mendocino County Board of Supervisors adopted Resolution 09-260 authorizing an application for funding from the economic development allocation of the State Community Development Block Grant (CDBG) program, which included a \$2,000,000 loan to Agwood Mill & Lumber Company to support economic recovery and job retention following the 2008 recession; and

WHEREAS, in 2010, Mendocino County issued a \$2,000,000 loan to Agwood Mill & Lumber Company with a 2% interest rate and a maturity date of September 1, 2030, using CDBG economic development funds; and

WHEREAS, on August 28, 2012, the Board of Supervisors authorized the Executive Office to issue a letter acknowledging and not opposing a \$500,000 loan from the Savings Bank of Mendocino County to Agwood Mill & Lumber Company, subordinating the County's lien position accordingly; and

WHEREAS, Agwood Mill & Lumber Company has repaid approximately 70% of the original loan, with an outstanding balance of \$613,708.46 as of May 2025, and is current on all payments with no history of delinquency, as confirmed by the County's loan servicer, the Economic Development & Financing Corporation (EDFC).

NOW, BE IT RESOLVED:

1. The Board of Supervisors has reviewed Agwood Mill & Lumber Company's request to subordinate the existing County Business Loan of \$2,000,000 from the Community Development Block Grant program.
2. The Board of Supervisors find that the new subordination agreement will allow for additional financing for Agwood to continue to address the original intent of the loan, which is to address the prevention of blight and the continued economic rehabilitation of the Agwood Mill & Lumber Company. Further, that the subordination agreement does not constitute a formal amendment of the underlying Loan Documents, except as to making them of a lower priority.
3. The Board of Supervisors hereby authorizes the Chief Executive Officer or designee to execute the subordination agreement between the County and Agwood's proposed lender of the County Business Loan.
4. The Board of Supervisors hereby reaffirms the delegation of authority in Section 4 of Resolution No. 09-260 to the Chief Executive Officer to act on the County's behalf, and expands said delegation to include the authority of the Chief Executive Officer or designee to execute any additional ancillary documents required by Agwood's proposed lender, necessary to effectuate the subordination agreement.

The foregoing Resolution introduced by Supervisor Mulheren, seconded by Supervisor Williams, and carried this 3rd day of June 2025, by the following vote:

AYES: Supervisors Cline, Mulheren, Haschak, Norvell, and Williams
NOES: None
ABSENT: None

WHEREUPON, the Chair declared said Resolution adopted and SO ORDERED.

ATTEST: DARCIE ANTLE
Clerk of the Board

JOHN HASCHAK, Chair
Mendocino County Board of Supervisors

Deputy

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

APPROVED AS TO FORM:
CHARLOTTE E. SCOTT
County Counsel

BY: DARCIE ANTLE
Clerk of the Board

Deputy