

Attachment 1

FIRST AMENDMENT TO LOAN AGREEMENT  
BY AND BETWEEN  
SANTA BARBARA COUNTY AND CHANCE, INC.

This agreement to amend a loan agreement (hereinafter “Loan Amendment”) is made by and between the County of Santa Barbara, a political subdivision of the State of California (hereinafter referred to as “Lender”) and CHANCE, Inc., a California Public Benefit Corporation (hereinafter referred to as “Borrower”) and amends that certain Loan Agreement made by and between Lender and Borrower, dated as of December 22, 2006 (“Loan Agreement”).

This First Amendment to Loan Agreement, (“Amendment”), is made as of July \_\_\_\_, 2007, by and between Lender and Borrower in reference to the following facts:

A. The Lender and Borrower entered into the Loan Agreement, pursuant to which the Lender agreed to loan to Borrower funds from the Santa Barbara County Community Development Block Grant Program Income fund in the amount of Fifty-Thousand Dollars \$50,000 (the “County Loan”) for the purpose of financing Borrower’s Move-in Costs Program.

B. Based on performance and successful implementation of the Move-in Costs Program, the Lender and Borrower now wish to continue the program utilizing additional Community Development Block Grant Program Income funding and to loan Borrower an additional One Hundred Thousand Dollars (\$100,000) of CDBG funds for the Move-in Costs Program.

Now, therefore, for good and valuable consideration, the Lender and Borrower agree as follows:

1. The Loan Agreement is amended as set forth below:

a. Section 1, Loan Terms, subsection 1.1, Loan Amount, is modified as to read follows:

“Lender hereby agrees to provide a loan to the Borrower in the principal amount of One Hundred Fifty Thousand Dollars (\$150,000), in Community Development Block Grant Program Income to fund the Move In Costs Program (the “Loan”). Such sum shall be disbursed in accordance with Section 1.4 below. The loan shall bear no interest.”

b. Subsection 1.3, Disbursement of Loan is modified to read as follows:

“Lender shall disburse to Borrower upon receipt of each request to draw down funds equal to the Lender-approved documentation attached to each request demonstrating compliance with this Agreement. The funds shall be for reimbursement of Lender-approved Move-In Costs Program disbursements made by Borrower on behalf of Lender up to the One Hundred Fifty Thousand Dollar (\$150,000) Loan.”

c. Subsection 1.4, Term of This Agreement is modified to read as follows:

“Services of the Borrower shall start on the 1<sup>st</sup> day of August 2007, and end on the 31<sup>st</sup> day of December, 2009 or when One Hundred Fifty Thousand Dollars (\$150,000) has been expended as set forth herein, whichever occurs first. The term of this Agreement and the provisions herein shall be extended to cover any additional time period in which Borrower remains in control of CDBG funds or other assets, including program income.”

Except as amended by this Amendment, the Loan Agreement, shall continue unmodified and in full force and effect.

(Remainder of Page intentionally left blank)

In witness whereof, the parties have executed this Amendment as of the date first written above.

**ATTEST:**

MICHAEL F. BROWN  
Clerk of the Board

**COUNTY:**

County of Santa Barbara,  
political subdivision of the State of California

By: \_\_\_\_\_  
Deputy Clerk of the Board

By: \_\_\_\_\_  
Brooks Firestone, Chairman  
Board of Supervisors

**APPROVED AS TO FORM:**

BOB GEIS  
AUDITOR CONTROLLER

**BORROWER:**

CHANCE, Inc.  
a California nonprofit public benefit  
Corporation

By: \_\_\_\_\_  
Mark Paul  
Senior Financial Analyst

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Expenditure Accounting Information  
Fund: 0065 Dept: 055  
Line Item: Program: 6001

**APPROVED AS TO FORM:**

STEPHEN SHANE STARK  
COUNTY COUNSEL

By: \_\_\_\_\_  
Deputy County Counsel

**APPROVED AS TO FORM:**

RAY AROMATORIO  
RISK MANAGER

By: \_\_\_\_\_  
Its: \_\_\_\_\_