

Attachment B

SECOND AMENDMENT TO COMMITMENT AGREEMENT
BY AND BETWEEN
SANTA BARBARA COUNTY AND SURF DEVELOPMENT COMPANY
JULY 1, 2011

This agreement to amend a loan commitment agreement (hereinafter "Second Commitment Amendment") is made by and between the County of Santa Barbara, a political subdivision of the State of California ("County") and Surf Development Company, a California non-profit public benefit corporation ("Surf Development") and amends that certain Loan Commitment Agreement made by and between the County and Surf Development, dated as of June 1, 2009 ("Commitment Agreement"), and an amendment to that Commitment Agreement dated as of June 1, 2010 ("First Commitment Amendment").

This Commitment Amendment is made as of _____, 2011, by and between the County and Surf Development in reference to the following facts:

A. County is the lead agency of the Santa Barbara County HOME Consortium and administers the HOME Program on behalf of the Consortium.

B. On May 15, 2007 the Board of Supervisors adopted a resolution approving the 2007 update to the County of Santa Barbara HOME Consortium Consolidated Plan ("Action Plan") governing the use of HOME funds. The Board action included an approval of a reservation of HOME funds from the City of Goleta allocation in the amount of One Hundred Fifty Thousand Dollars (\$150,000) for the development of a congregate care home to serve the needs of up to four adults with developmental disabilities in the City of Goleta, known as Braddock House ("Project").

D. The County and Surf Development entered into a HOME Commitment Agreement dated June 1, 2009, through which the County committed HOME Investment Partnerships Act (HOME) funds from the City of Goleta allocation under the Santa Barbara County HOME Consortium in the amount of One Hundred Fifty Thousand Dollars (\$150,000) for the Project.

E. On July 14, 2009 the Board of Supervisors adopted a resolution approving the 2009 update to the 2006-2010 Consolidated Plan ("Action Plan") governing the use of HOME funds. The Board action included an approval of a reservation of additional City of Goleta HOME funds to the Project in the amount of Fifty Thousand Dollars (\$50,000).

G. On May 12, 2011 the Board of Supervisors adopted a resolution approving the 2011 update to the 2010-2015 Consolidated Plan ("Action Plan") governing the use of HOME funds. The Board action included an approval of a reservation of additional City of Goleta HOME funds to the Project in the amount of Thirty Five Thousand Dollars (\$35,000).

H. The Commitment Agreement and this Commitment Amendment constitute a commitment of funds to an eligible project within two years of the County receiving the 2007, 2009 and 2011 HOME grants, as required under the HOME Program.

H. Project construction is underway and loan documents for the permanent financing loan of HOME funds in the aggregate amount of Two Hundred Thirty Five Thousand Dollars (\$235,000) will be drafted for Board of Supervisors approval within six months of the date of this agreement.

I. Environmental review under both the California Environmental Quality Act and the National Environmental Policy Act has already been completed for this project.

Now, therefore, for good and valuable consideration, the County and Surf Development agree as follows:

1. The Commitment Agreement is hereby amended as set forth below:

a. Section 3, Purpose of the Agreement, is modified to read as follows:

“The Commitment Agreement evidences the reservation of an aggregate of Two Hundred Thirty Five Thousand Dollars (\$235,000) through the 2007, 2009 and 2011 Action Plans and the intent to negotiate a loan of HOME funding for the Project.”

b. Section 4, Term of this Agreement, is modified to read as follows:

“This Agreement shall begin immediately and terminate the earlier of July 1, 2012 or until such time that a Loan Agreement is negotiated and executed between County and Surf Development for the Project. “

c. Addition of Section 17, Reporting Requirements:

“Surf agrees to provide County with quarterly project status update reports consisting of, at minimum, the following information:

1. Sources and Uses statement
2. Status of project financing
3. Status of local approvals
4. General project update

Reports shall be provided on the following dates:

August 31, 2011
November 30, 2011
February 28, 2012
May 31, 2012”

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

(Remainder of Page intentionally left blank)

In witness whereof, the County and Surf Development have caused this Commitment Amendment to be executed by their respective duly authorized officer:

SURF DEVELOPMENT COMPANY
a California non-profit public benefit corporation

COUNTY OF SANTA BARBARA
a political subdivision of the
State of California

By: _____
Raymond Down
Board President

By: _____
Joni Gray
Chair of the Board of Supervisors

ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

By: _____
Deputy

APPROVED AS TO FORM:

APPROVED AS TO FORM:

DENNIS A. MARSHALL
COUNTY COUNSEL

RISK MANAGEMENT

By: _____
Mary McMaster
Senior Deputy County Counsel

By: _____
Ray Aromatorio
Risk Program Administrator

APPROVED AS TO FORM:

ROBERT GEIS
AUDITOR-CONTROLLER

By: _____
Juan Izquierdo
Division Chief