

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

County of Santa Barbara
Community Services Department
Division of Housing and Community Dev.
Attn: Grants Manager
123 East Anapamu Street, 2nd Floor
Santa Barbara, CA 93101

Recorder's Stamp

**AGREEMENT TO SUBORDINATE TO RENTAL ASSISTANCE DEMONSTRATION
USE AGREEMENT**

[Escalante Meadows and CDBG-DR Loan Documents]

This Agreement to Subordinate to Rental Assistance Demonstration Use Agreement (this "Subordination") is entered into this November ____, 2022, by the County of Santa Barbara, (the "Lender" or "County"), and Escalante Meadows, L.P., a California limited partnership (the "Project Owner" and together with Lender, collectively, the "Parties").

WHEREAS, the Parties executed that certain County Community Development Block Grant Disaster Recovery Multi-Family Housing Program (CDBG-DR MHP) Development Agreement, CDBG-DR MHP Promissory Note Secured by Deed of Trust; CDBG-DR MHP Deed of Trust, CDBG-DR MHP Senior Regulatory Agreement and CDBG-DR MHP Junior Regulatory Agreement ("Subordinate Document(s)") dated and recorded as of substantially even date herewith; and

WHEREAS, HUD has authorized the conversion of Evans Park B (Guadalupe) (the "Project") located upon the real property described on Exhibit "A" attached hereto, from public housing to Section 8 assistance under the Rental Assistance Demonstration ("RAD") program, pursuant to Public Law 112-55; and

WHEREAS, as a condition of the RAD conversion, the Project Owner executed a Rental Assistance Demonstration Use Agreement dated and recorded as of substantially even date herewith (the "RAD Use Agreement") for the benefit of HUD; and

WHEREAS, HUD requires as a condition of the RAD conversion that the Parties agree to subordinate the Subordinate Document(s) to the RAD Use Agreement;

NOW THEREFORE, let it be known to all interested parties, that for good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned do hereby agree:

1. So long as the RAD Use Agreement, and all extensions thereto, be in effect, the Subordinate Document(s) shall in all respects be subordinate.
2. Subordination extends to and continues in effect with respect to any future amendment, extension, renewal, or any other modification of the RAD Use Agreement or the Subordinate Document(s).
3. In the event of conflict between/among the Subordinate Document(s) and the RAD Use Agreement, the RAD Use Agreement controls.
4. The following amendments to the Subordinate Document(s) require the prior written consent of HUD: Any amendment to any HUD-required provisions in the Subordinate Document(s), an increase in the interest rate, an increase of the total indebtedness, an acceleration of the amortization or payment schedule, and any changes that would preclude or impair a reasonable opportunity to cure any defaults by the Project Owner under the Subordinate Documents.
5. This Subordination will survive bankruptcy and foreclosure.
6. This Subordination may be signed in counterparts.
7. The invalidity, in whole or in part, of any of the provisions set forth in this Subordination, shall not affect or invalidate any remaining provisions.
8. This Subordination and every covenant hereof shall be binding upon the Parties and their respective successors and assigns. This Subordination shall not be modified or amended except by a written instrument executed by all parties hereto and approved in writing by HUD.

[SIGNATURE PAGE(S) TO FOLLOW]

IN WITNESS WHEREOF, County and Owner have caused this Agreement to be executed by their respective duly authorized officers.

ATTEST:

MONA MIYASATO
Clerk of the Board

By: _____
Deputy Clerk of the Board

**APPROVED AS TO ACCOUNTING
FORM:**
BETSY SCHAFFER, CPA, CPFO
AUDITOR-CONTROLLER

By: _____
Deputy

APPROVED AS TO FORM

RACHEL VAN MULLEM
COUNTY COUNSEL

By: _____
Deputy County Counsel _____

RISK MANAGEMENT

By: _____
GREGORY MILLIGAN, ARM, AIC
Risk Manager

COUNTY:

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

By: _____
Joan Hartman, Chair
Board of Supervisors

By: _____
George Chapjian, Director
Community Services Dept.

In witness whereof, the Parties have executed this Subordination as of the date first written above.

Lender/County

[insert appropriate signature block]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that _____, either being personally known to me or proven by satisfactory evidence, personally came before me this day and acknowledged that he/she, being authorized to do so, voluntarily executed the foregoing on behalf of said companies for the purposes state therein.

Notary Public

My commission expires:

[Seal]

Project Owner

ESCALANTE MEADOWS, L.P., a California limited partnership

By: SURF DEVELOPMENT COMPANY, a California nonprofit public benefit corporation, its managing general partner

By: Raymond F. Down, President
Date: November __, 2022

By: HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA, a public body, corporate and politic, its administrative general partner

By: Robert P. Havlicek Jr, Executive Director
Date: November __, 2022

DRAFT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

ss.

County of Santa Barbara

On _____, 20__, before me, a Notary Public for the above jurisdiction, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of the above jurisdiction that the foregoing paragraph is true and correct. Witness my hand and official seal.

Notary Public

Print Name: _____

My commission expires: _____

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

ss.

County of Santa Barbara

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Print Name: _____

My commission expires: _____

[insert appropriate sig

STATE OF _____

COUNTY OF _____

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Notary Public

My commission expires:

[Seal]

DRAFT

Exhibit A

Legal Description

DRAFT