

RECORDING REQUESTED BY:

Surf Development Company
Attn: President
815 West Ocean Avenue
Lompoc, CA 93436

WHEN RECORDED MAIL TO:

Leland Grossman Sandpiper, L.P.
c/o Housing Authority of the County of Santa Barbara
Attn: Executive Director
815 West Ocean Avenue
Lompoc, CA 93436

NO FEE REQUIRED
PER GOVERNMENT CODE SECTION 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

SUBORDINATION AGREEMENT
(Governmental Lenders)
(Braddock House)

THIS SUBORDINATION AGREEMENT ("Agreement") is entered into this ___ day of July, 2015, by and among Surf Development Company, a California non-profit public benefit corporation ("Owner") and the County of Santa Barbara, a political subdivision of the State of California ("Junior Lienholder") for the benefit of Leland Grossman Sandpiper, L.P., a California limited partnership, ("Partnership").

Recitals

WHEREAS, Owner is the owner of the Property, which Property is more particularly described in Exhibit A attached hereto and made a part hereof; and

WHEREAS, Junior Lienholder has entered into a certain Loan Agreement dated as of November 9, 2011, between Owner and Junior Lienholder, which was secured by a deed of trust recorded in the Official Records on April 6, 2012, as Instrument No. 2012-22504 (collectively "Junior Obligation Document"); and

WHEREAS, Junior Lienholder agrees that the Junior Obligation Document shall be subordinate to that certain Grant of Drainage Easement and Agreement Regarding Easement, which was recorded in the Official Records on November 10, 2014, as Instrument No. 2014-0051420 ("Easement").

NOW, THEREFORE, Owner and Junior Lienholder hereby agree as follows:

1. SUBORDINATION OF OF THE JUNIOR OBLIGATION DOCUMENT. The Junior Obligation Document, and any and all renewals or extensions thereof and all amendments and modifications hereafter made thereto shall unconditionally be and remain at all times a lien or charge against the Property that is subordinate to the Easement.

2. Notices.

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which HUD or Junior Lienholder is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating next Business Day delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two Business Days after mailing in the United States), addressed to the respective parties as follows:

Partnership:

Leland Grossman Sandpiper, L.P.
c/o Surf Development Company
815 West Ocean Avenue
Lompoc, CA 93436
Attn: President

JUNIOR LIENHOLDER:

County of Santa Barbara
123 East Anapamu Street, 2nd Floor
Santa Barbara, CA 93101
Attn: Housing Finance Program Manager

OWNER:

Surf Development Company
815 West Ocean Avenue
Lompoc, CA 93436
Attn: President

Either party may, by notice given pursuant to this Section, change the person or persons and/or address or addresses, or designate an additional person or

persons or an additional address or addresses for its notices, but notice of a change of address shall only be effective upon receipt.

3. General.

(a) Assignment/Successors. This Agreement shall be binding upon Owner and Junior Lienholder and shall inure to the benefit of the respective legal successors and assigns of Owner and Junior Lienholder.

(b) Amendment. This Agreement shall not be amended except by written instrument signed by all parties hereto.

(c) Governing Law. This Agreement shall be governed by the laws of the State of California.

(d) Severable Provisions. If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(e) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

{Next page is signature page}

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

ATTEST:

MONA MIYASATO
Clerk of the Board

By: _____
Deputy Clerk of the Board

JUNIOR LIENHOLDER:

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

By: _____
Janet Wolf, Chair
Board of Supervisors

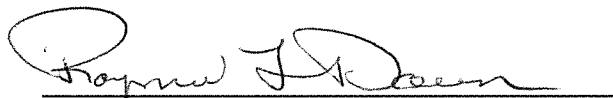
APPROVED AS TO FORM

Michael C. Ghizzoni
COUNTY COUNSEL

By: 
Deputy County Counsel

OWNER:

Surf Development Company,
a California nonprofit public benefit corporation


Raymond F. Down, President

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 to the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

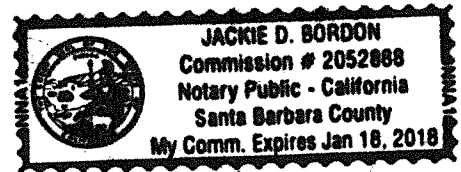
COUNTY OF SANTA BARBARA

On June 22, 2015, 2015, before me Jackie D. Bordon, Notary Public, a Notary Public, personally appeared Raymond F. Down, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Jackie D. Bordon



(Seal)

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 to the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SANTA BARBARA

On _____, 2015, before me _____,
a Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

Exhibit A
(Legal Description)

**PARCEL 2 OF PARCEL MAP 32028, AS PER MAP RECORDED IN BOOK 62,
PAGES 56 AND 57 OF PARCEL MAPS, RECORDS OF SAID COUNTY.**