

NO FEE DOCUMENT

**Recording requested by and
when recorded, mail to:**

County of Santa Barbara
Housing and Community Development
Community Services Department
105 E. Anapamu Street, Room 105
Santa Barbara, CA 93101

NO FEE DOCUMENT PURSUANT TO
GOVERNMENT CODE SECTION 27383

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT (the “**Agreement**”) is made and entered into, effective on the date set forth below, by the County of Santa Barbara, a political subdivision of the State of California (“**County**”) and Casas de las Flores, L.P., a California limited partnership (“**Borrower**”), in favor of, the Housing Trust Fund of Santa Barbara County, Inc., a California non-profit public benefit corporation (“**Lender**”), with reference to the following facts:

RECITALS

- a. The Borrower owns the property located at 4096 Via Real in the City of Carpinteria, in Santa Barbara County, a legal description of which is attached to this Agreement as Exhibit A and incorporated herein by this reference (“**Property**”).
- b. The Borrower intends to execute in favor of Lender a deed of trust securing a loan (“**Loan**”) in the original principal amount of \$430,000, which deed of trust shall be recorded in the Official Records of Santa Barbara County as instrument no. _____ (collectively, the “**Lender Deed of Trust**”).
- c. The Lender Deed of Trust, together with any and all modifications and amendments thereof, any other documents and instruments executed, delivered, and/or recorded in connection with the Loan, and any other rights or interests which Lender may have in connection with the Property and the improvements thereon, shall hereinafter be referred to collectively as the “**Lender Encumbrances**.”

- d. Concurrent with execution of this Agreement, the County is making loan to the Borrower (the “**County HOME Loan**”) in the amount of \$1,209,957, and, in connection therewith, the Borrower executed a County HOME Loan Deed of Trust and a County HOME Loan Regulatory Agreement that were recorded in the official records of Santa Barbara County (all three County documents collectively, “**County Recordation Documents**”). The County Recordation Documents, together with any and all modifications and amendments thereof and any other rights or interests which the County may have in connection with the Property and the improvements thereon, shall hereinafter be referred to collectively as the “**County Encumbrances**”.

AGREEMENTS

NOW, THEREFORE, the parties hereby agree as follows:

1. That the lien of the County Encumbrances, and any renewals or extensions with respect thereto, shall unconditionally be and remain at all times a lien or charge on the Property, subordinate to the lien or charge of the Lender Encumbrances.
2. That this Agreement shall be the only agreement with regard to the subordination of the lien of and rights created in and evidenced by the County Encumbrances to the lien of the Lender Encumbrances.
3. The County, agrees and acknowledges the following:
 - a. The County intentionally and unconditionally subordinates the lien or charge of the County Encumbrances in favor of the lien or charge upon the Property of the Lender Encumbrances and understands that in reliance upon, and in consideration of, this subordination, Lender is providing its loan.
 - b. Any breach or default by the Borrower with respect to the terms and provisions of the Lender Encumbrances may, at the election of County or its designee, be treated as a default by the Borrower under the County Deed of Trust.
4. This Agreement shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of the parties.
5. This Agreement may be signed by the parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts shall be deemed an original of this Agreement.
6. This Agreement shall be governed by and construed in accordance with the laws of the State of California.


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IN WITNESS WHEREOF, the parties have executed this Agreement, effective on the date the County Recordation Documents are recorded in the Official Records of Santa Barbara County.

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

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

By: 
Deputy Clerk

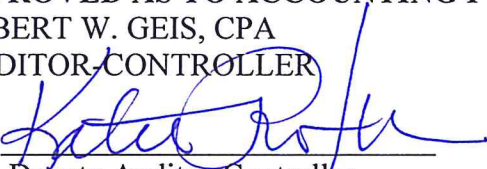
By: 
STEVE LAVAGNINO
Chair, County Board of Supervisors

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

By: 
Director

By: 
Deputy County Counsel

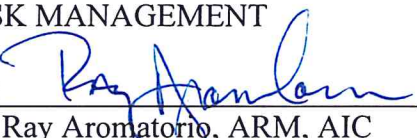
APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

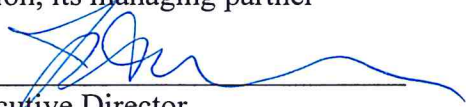
By: 
Deputy Auditor-Controller

BORROWER:
Casa de las Flores, L.P.,
a California Limited Partnership

By: Peoples' Self-Help Housing Corporation,
a California nonprofit public benefit
corporation, its managing partner

APPROVED AS TO FORM:
RISK MANAGEMENT

By: 
Ray Aromatorio, ARM, AIC
Risk Manager

By: 
Executive Director

[ADD NOTARY ACKNOWLEDGMENTS]