

RECORDING REQUESTED BY
FIRST AMERICAN TITLE

EPN

Electronically Recorded in Official Records
County of Santa Barbara

Joseph E. Holland
County Clerk-Recorder

DOC# 2022-0048394

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

11/18/2022
03:32 PM

Titles: 1 Pages: 29

Kutak Rock LLP
Attn: Ann J. McGill
1650 Farnam Street
Omaha, NE 68102

E28

Fees	\$0.00
Taxes	\$0.00
CA SB2 Fee	\$0.00
Total	\$0.00

5461725

19

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") dated as of the 18th day of November, 2022, is made by and between the COUNTY OF SANTA BARBARA, a subdivision of the State of California (together with its permitted successors and assigns as legal or beneficial owner of the Junior Loan Documents or the Senior Regulatory Agreement) ("Junior Lender") and PACIFIC WESTERN BANK, a California state-chartered bank (together with its successors and assigns as legal holder of the Senior Note, "Senior Lender").

RECITALS:

A. Escalante Meadows, L.P., a California limited partnership ("Borrower") has received from Senior Lender a loan (the "Senior Loan") for the acquisition, construction, rehabilitation, development, equipping and/or operation of the Property (as hereinafter defined).

B. The Senior Loan is evidenced by a Promissory Note dated November 18, 2022 and that certain Loan Agreement dated as of November 1, 2022, between Borrower and Senior Lender (the "Senior Loan Agreement"). The term "Senior Note" means that certain Promissory Note evidencing the Senior Loan dated as of March 16, 2022, in the maximum principal amount of \$42,400,000.00 made by Borrower payable to the order of Senior Lender.

C. The Senior Loan is secured by, among other things, that certain Deed of Trust, Security Agreement, Absolute Assignment of Leases and Rents and Fixture Filing dated as of November 1, 2022, executed by Borrower for the benefit of Senior Lender, and recorded concurrently herewith (the "Senior Security Instrument"), which Senior Security Instrument encumbers the Property. Together, the Senior Security Instrument, the Senior Note, the Senior Loan Agreement and all other documents executed in connection with the Senior Loan, as the same may from time to time be extended, modified or amended in accordance with the provisions of this Agreement, are the "Senior Loan Documents."

D. Junior Lender is making a loan (the "Junior Loan") to Borrower in the original principal amount of \$1,377,665.00, which Junior Loan is evidenced by that certain Promissory Note Secured by Deed of Trust dated on or about the date hereof made by Borrower to Junior Lender (the "Junior Note"). In connection with the Junior Loan, Borrower has executed that certain Regulatory Agreement dated on or about the date hereof (the "Junior Regulatory

AD

Exempt from fee GC 27388.1(a)(2):
recorded concurrently "in connection with" a
transfer subject to the imposition
of documentary transfer tax

Agreement") in favor of Junior Lender recorded concurrently herewith. In addition thereto, Junior Lender and Borrower have entered into that certain Senior Regulatory Agreement (Affordability Restrictions) dated on or about the date hereof (the "**Senior Regulatory Agreement**") recorded concurrently herewith.

E. The Junior Loan is being made pursuant to, and subject to the requirements of, the Community Development Block Grant - Disaster Recovery Multifamily Housing Program (the "**Program**") administered by the Department of Housing and Community Development, a public agency of the State of California (the "**Department**"). As required by the Program, Junior Lender and the Department have entered into a Master Standard Agreement, numbered 20-DRMHP-00002, dated December 4, 2020, as amended by that certain Amendment 1 and dated August 30, 2022, which provides the overarching terms and conditions for implementing the Program and terms and conditions to which the Junior Loan is subject (the "**Master Standard Agreement**").

F. The Junior Regulatory Agreement, among other things, sets forth certain restrictions upon the occupancy, rents, operation, ownership and maintenance of the Property and shall be recorded in the Office of the Recorder of Santa Barbara County concurrently herewith.

G. The Senior Regulatory Agreement also sets forth certain provisions regarding the occupancy, rents, operation, ownership and maintenance of residential units at the Property (which provisions are duplicative of some provisions in the Junior Regulatory Agreement and are intended to be senior in priority to the Senior Loan Documents) and shall be recorded in the Office of the Recorder of Santa Barbara County concurrently herewith.

H. The Junior Loan is secured by that certain Deed of Trust recorded concurrently herewith in the Official Records, (the "**Junior Security Instrument**"), as the same may from time to time be extended, modified or amended in accordance with the provisions hereof.

I. As a condition to the making of the Senior Loan, Senior Lender requires that Junior Lender execute and deliver this Agreement in connection with Junior Lender and Borrower entering into the Junior Loan Documents (as defined below).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Senior Lender to consent to the Junior Loan and the Junior Security Instrument, Junior Lender hereby agrees as follows:

AGREEMENT

1. **Definitions.** Capitalized terms used but not defined in this Agreement shall have the meanings ascribed thereto in the Senior Security Instrument. As used in this Agreement, the terms set forth below shall have the respective meanings indicated:

"Bankruptcy Proceeding" means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower or the Property.

“*Casualty*” means the occurrence of damage to or loss of any of the Property by fire or other casualty.

“*Condemnation*” means any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Property, whether direct or indirect.

“*Enforcement Action*” means occurrence of any of the following with respect to either the Senior Loan or the Junior Loan: the acceleration of all or any part of the Junior Indebtedness or the Senior Indebtedness, as applicable, the advertising of or commencement of any foreclosure or trustee’s sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of Rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Property, the commencement of any suit or other legal, administrative, or arbitration proceeding related to the enforcement of the Junior Loan Documents or the Senior Loan Documents, as applicable, or the exercising of any banker’s lien or rights of set-off or recoupment, or the taking of any other enforcement action against Borrower, any other party liable for any of the Junior Indebtedness or the Senior Indebtedness, as applicable, or the Property.

“*Enforcement Action Notice*” means a written notice from Junior Lender or Senior Lender to the other party, given following a Junior Loan Default or a Senior Loan Default and the expiration of any notice or cure periods applicable thereto, setting forth in reasonable detail the Enforcement Action proposed to be taken by Junior Lender or Senior Lender, as applicable.

“*Junior Indebtedness*” means all indebtedness of any kind at any time evidenced or secured by, or arising under, the Junior Loan Documents, whether incurred, arising or accruing before or after the filing of any Bankruptcy Proceeding.

“*Junior Lender*” shall have the meaning set forth in the introductory paragraph to this Agreement.

“*Junior Loan Default*” means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of notice or the passage of time, or both, would constitute, an “Event of Default” as defined in the Junior Loan Documents.

“*Junior Loan Documents*” means, collectively, the Junior Note, the Junior Security Instrument, the Junior Regulatory Agreement, and, subject to the immediately following sentence, all other documents evidencing, securing or delivered in connection with the Junior Loan, as the same may be extended, modified and amended in accordance with the provisions hereof. The Senior Regulatory Agreement is specifically **excluded** from the definition of Junior Loan Documents.

“*Junior Regulatory Agreement*” has the meaning set forth in the Recitals.

“*Loss Proceeds*” means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any Condemnation or Casualty.

“*Property*” means (i) a, 80-unit multifamily residential project located in the City of Guadalupe, County of Santa Barbara, California, known as Escalante Meadows, which Property is more particularly described on Exhibit A attached hereto, and (ii) all furniture, fixtures and equipment located at such apartments and other property, accounts, deposits and rights and interests of Borrower related thereto.

“*Senior Regulatory Agreement*” has the meaning set forth in the Recitals.

“*Senior Indebtedness*” means all indebtedness of any kind at any time evidenced or secured by, or arising under, the Senior Loan Documents, whether incurred, arising or accruing before or after the filing of any Bankruptcy Proceeding.

“*Senior Lender*” shall have the meaning set forth in the introductory paragraph to this Agreement.

“*Senior Loan Default*” means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of notice or the passage of time, or both, would constitute, an “Event of Default” as defined in the Senior Loan Documents.

“*Senior Loan Documents*” shall have the meaning set forth in the Recitals.

2. Junior Loan and Junior Loan Documents are Subordinate to Senior Loan Documents; Senior Regulatory Agreement is Senior to Senior Indebtedness; Acts by Senior Lender Not Affecting Subordination of Junior Loan Documents.

(a) Junior Lender hereby covenants and agrees on behalf of itself and its successors and permitted assigns that the Junior Indebtedness is and shall at all times continue to be, subordinate, subject and inferior (in payment and priority) to the prior payment in full of the Senior Indebtedness, and that the liens, rights, payment interests, priority interests and security interests granted to Junior Lender in connection with the Junior Loan and under the Junior Loan Documents are, and are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights, payment, priority and security interests granted to Senior Lender under the Senior Loan and the Senior Loan Documents and the terms, covenants, conditions, operations and effects thereof.

Senior Lender hereby covenants and agrees on behalf of itself and its successors and permitted assigns that, subject to the terms of this Agreement, the Senior Indebtedness is and shall at all times continue to be, subordinate, subject and inferior in priority to the Senior Regulatory Agreement, and that the liens, rights, payment interests, priority interests and security interests granted to Senior Lender in connection with the Senior Loan and under the Senior Loan Documents are, and are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the covenants set forth in the Senior Regulatory Agreement and the terms, covenants, conditions, operations and effects thereof.

(b) Prior to a Senior Loan Default (regardless of whether such Default occurs prior to or during the pendency of a Bankruptcy Proceeding), Junior Lender shall be

entitled to receive and retain scheduled payments made pursuant to and in accordance with the terms of the Junior Loan Documents. Junior Lender agrees that from and after such time as it has received from Senior Lender written notice that a Senior Loan Default then exists (until such time as such default has either been cured or has been expressly waived in writing by Senior Lender), such period being referred to as the “**Senior Default Period**”, Junior Lender shall promptly remit, in the Junior Lender’s ordinary course of business, any payments, properties, and assets received by Junior Lender during the Senior Default Period to the address set forth herein or such other address designated by Senior Lender in a written notice. Senior Lender shall apply any payment, asset, or property so received from Junior Lender to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Senior Lender shall determine in its sole and absolute discretion. If, pursuant to this Section 2(b), Junior Lender is prevented from retaining any payments under the Junior Loan due to receiving notice of a Senior Loan Default, or if Junior Lender is required to remit to Senior Lender any payments received by Junior Lender during a Senior Loan Default, Junior Lender may determine in its sole and absolute discretion that such events that may constitute a material default by Borrower under the Junior Loan and Junior Lender shall be entitled to exercise its rights and remedies set forth in the Junior Loan Documents on account of such default, subject to the provisions of Section 4(a) of this Agreement.

(c) Intentionally omitted.

(d) The subordination of the Junior Loan Documents to the Senior Indebtedness hereunder shall continue in the event that any payment under the Senior Loan Documents (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, the Senior Indebtedness or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the Senior Indebtedness had not been made.

(e) The subordination of the Junior Loan Documents to the Senior Indebtedness and the subordination of the Senior Indebtedness to the Senior Regulatory Agreement shall apply and continue notwithstanding (i) the actual date and time of execution, delivery, recording, filing or perfection of the documents, and (ii) the availability of any collateral to Senior Lender, including the availability of any collateral other than the Property.

(f) By reason of, and without in any way limiting, the subordination provided for in this Agreement, all rights and claims of Junior Lender under the Junior Security Instrument or under the Junior Loan Documents (but not under the Senior Regulatory Agreement) in or to the Property or any portion thereof, the proceeds thereof, the Leases thereof, the Rents, issues and profits therefrom, and the Loss Proceeds payable with respect thereto, are expressly subject and subordinate in all respects to the rights and claims of Senior Lender under the Senior Loan Documents in and to the Property or any portion thereof, the proceeds thereof, the Leases thereof, the Rents, issues and profits therefrom, and the Loss Proceeds payable with respect thereto.

(g) Junior Lender hereby acknowledges and agrees that Senior Lender may, without the prior written consent of Junior Lender, agree with Borrower to extend, modify, or amend any or all the Senior Loan Documents and otherwise act or fail to act with respect to any matter set forth in any Senior Loan Document. Notwithstanding the foregoing, no modification or amendment of the Senior Loan Documents shall be effective against Junior Lender without its prior written consent, not to be unreasonably withheld, conditioned or delayed (and deemed received if no response is received from Junior Lender within thirty (30) days following delivery of a written request therefor stating that the matters therein will be deemed approved if no response is delivered thereto within 30 days) which does any of the following: (1) increases the principal loan amount due and payable thereunder, excluding any increases due solely to any protective advances (as permitted under applicable law) under the Senior Security Instrument, (2) increases the interest rate payable under the Senior Indebtedness, (3) eliminates any reserve at the Property required by the Junior Loan Documents, (4) reduces the term of the Senior Loan or increases the amount of the periodic debt service payments due under the Senior Loan, or (5) alters the management standards or the unit mix or populations served by the Property as an affordable housing development. Senior Lender shall use commercially reasonable efforts to deliver a copy of any written modification for which consent is not required hereunder to Junior Lender within seven (7) days following the effective date of such modification or amendment, but failure timely to provide such notice shall not constitute a default hereunder.

3. Junior Lender Agreements.

(a) Senior Lender hereby acknowledges and agrees that Junior Lender may, without the prior written consent of Senior Lender, agree with Borrower to extend, modify, or amend any or all of the Junior Loan Documents and/or the Senior Regulatory Agreement and otherwise act or fail to act with respect to any matter set forth in any Junior Loan Document or the Senior Regulatory Agreement. Notwithstanding the foregoing, no modification or amendment of the Junior Loan Documents or the Senior Regulatory Agreement shall be effective against Senior Lender without its prior written consent, not to be unreasonably withheld, conditioned or delayed (and deemed received if no response is received from Senior Lender within thirty (30) days following delivery of a written request therefor stating that the matters therein will be deemed approved if no response is delivered thereto within 30 days) which does any of the following: (1) increases the principal loan amount due and payable thereunder, excluding any increases due solely to any protective advances (as permitted under applicable law) under the Junior Security Instrument, (2) reduces the term of the Junior Loan or increases the interest rate or residual receipts payments due under the Junior Loan or (3) modifies the terms of the Senior Regulatory Agreement or alters the required use, unit mix, populations to be served or the affordability restrictions or requirements required under the Junior Loan Documents. Junior Lender shall use commercially reasonable efforts to deliver a copy of any written modification for which consent is not required hereunder to Senior Lender within seven (7) days following the effective date of such modification or amendment but failure timely to provide such notice shall not constitute a default hereunder.

(b) Junior Lender and Senior Lender agree that all original policies of casualty and property damage insurance required pursuant to the Senior Loan Documents and the Junior Loan Documents shall be held by Borrower, or with the consent of Borrower or as required by the Senior Loan Documents, by Senior Lender. Both Senior Lender and Junior Lender may require that they each be named as a loss payee, as their respective interests may appear, under all policies of casualty and property damage insurance maintained by Borrower with respect to the Property; and both Senior Lender and Junior Lender shall be given notice of and be entitled to participate in and give their input with respect to any and all negotiations and settlements of, and decisions with respect to, any and all insurance claims under all such policies, including without limitation any agreements as to the amount and timing of all insurance payments due thereunder. Until the Senior Loan is repaid in full or this Agreement is terminated, Senior Lender shall have the right to ultimately settle and adjust all casualty insurance claims; provided, however, Junior Lender shall have the right to participate in and consult with Senior Lender regarding such negotiations and settlements, but shall have no consent rights with respect thereto and such participation and consultation rights shall remain subject and subordinate to Senior Lender's rights to ultimately settle and adjust all Casualty claims under the Senior Loan Documents.

(c) Junior Lender and Senior Lender further agree that both Senior Lender and Junior Lender shall be given notice of and be entitled to participate in any and all negotiations and settlements of, and decisions with respect to, any and all Condemnations related to the Property, including without limitation any agreements as to the amount, manner of payment, interests being compensated for and timing of any and all awards or other payments made with respect thereto. Until the Senior Loan is repaid in full or this Agreement is terminated, Senior Lender shall have the right to ultimately settle and adjust all Condemnation claims; provided, however, Junior Lender shall have the right to participate in and consult with Senior Lender regarding such negotiations and settlements, but shall have no consent rights with respect thereto and such participation and consultation rights shall remain subject and subordinate to Senior Lender's rights under the Senior Loan Documents.

(d) Until the Senior Loan is paid in full or this Agreement is terminated, all Loss Proceeds received or to be received on account of a Casualty or a Condemnation action, or both, shall be applied (either to the payment of the costs and expenses of repair and restoration of the Property or to the payment of the Senior Loan) in the manner determined by Senior Lender pursuant to the terms of the Senior Loan Documents; provided, however, that if Senior Lender elects to apply such Loss Proceeds to payment of the principal of, interest on and other amounts payable under the Senior Loan, any Loss Proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Loan shall immediately upon such satisfaction be paid and disbursed to, and may, subject to the rights of any other lenders senior in priority to the liens of the Junior Regulatory Agreement and Junior Security Instrument, be applied by, Junior Lender in its sole and absolute discretion in accordance with the applicable provisions of the Junior Loan Documents.

(e) Neither Senior Lender nor Junior Lender shall (so long as the other party is respecting the prohibitions of this subsection (e)) (i) commence or join with any other creditor for the purpose of commencing any involuntary Bankruptcy Proceeding involving Borrower or (ii) commence any action, motion or request, in a Bankruptcy Proceeding involving any other person or entity, which seeks the consolidation of some or all of the assets of Borrower into such Bankruptcy Proceeding. Notwithstanding the foregoing, once any such Bankruptcy Proceeding, consolidation, or other proceeding has been independently initiated and commenced, then each of Junior Lender and Senior Lender shall, in their independent discretion and election, be free to participate in and/or take any other actions with respect to any and all such proceedings in such manner as each may, in its sole and absolute discretion, determine is in its respective best interests. In the event of any Bankruptcy Proceeding relating to Borrower or the Property or, in the event of any Bankruptcy Proceeding relating to any other person or entity into which (notwithstanding the covenant in the first sentence of this paragraph) the assets or interests of Borrower are consolidated, then in either event, until the payment in full of the Senior Loan or other termination of this Agreement, any and all rights and interests granted to Junior Lender under the Junior Loan Documents in and to any and all payments, revenues and proceeds generated by the Property in such bankruptcy or other proceedings, and all claims and rights of Junior Lender to receive and apply the same as contemplated in the Junior Loan Documents, are, and are hereby expressly acknowledged to be in all respects and at all times prior to the full repayment of the Senior Loan or other termination of this Agreement, subject, subordinate and inferior in priority to any and all rights and interests granted to Senior Lender in and to the such proceeds under the Senior Loan Documents, including any and all claims and rights to receive and apply the same as contemplated therein, so long as the same are either used and applied to the repayment of the Senior Loan or for the repair and restoration of the Property.

Nothing contained herein shall have the effect, or be deemed or construed as having the effect, of waiving, changing or otherwise affecting any other rights or privileges that Junior Lender has with respect to Bankruptcy Proceedings generally, including any immunity that Junior Lender may have or assert with respect thereto.

(f) Junior Lender acknowledges that it entered into the transactions contemplated by the Junior Loan Documents and made the Junior Loan to Borrower without reliance upon any judgment or advice from Senior Lender. Junior Lender made its own underwriting analysis in connection with the Junior Loan, its own credit review of Borrower, and investigated all matters pertinent, in Junior Lender's judgment, to its determination to make the Junior Loan to Borrower.

(g) (i) Borrower hereby represents and warrants that: (i) Junior Lender is now the owner and holder of the Junior Loan Documents; (ii) the Junior Loan Documents are now in full force and effect; (iii) the Junior Loan Documents have not been modified or amended; (iv) no default or event which, with the passing of time or giving of notice would constitute a default, under the Junior Loan Documents has occurred; and (v) the original principal amount of the Junior Indebtedness under the Junior Loan is \$1,377,665. Borrower further represents and warrants that it has provided to Senior Lender a true,

complete, and correct copy of all the Junior Loan Documents and the Senior Regulatory Agreement.

(ii) Borrower hereby represents and warrants that: (i) Senior Lender is now the owner and holder of the Senior Loan Documents; (ii) the Senior Loan Documents are now in full force and effect; (iii) the Senior Loan Documents have not been modified or amended; (iv) no default or event which, with the passing of time or giving of notice would constitute a default, under the Senior Loan Documents has occurred; and (v) the original principal amount of the Senior Indebtedness is \$42,400,000. Borrower further represents and warrants that it has provided to Junior Lender a true, complete, and correct copy of all the Senior Loan Documents.

(h) Junior Lender further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Loan (including reasonable and necessary costs associated with the closing and/or the refinancing but not including additional funds above the then-current Senior Loan unpaid principal balance together with such reasonable and necessary closing and/or refinancing costs) and protective advances pursuant to the Senior Security Instrument, so long as such new financing conforms with applicable statutes, laws and regulations to which Junior Lender and/or the Junior Indebtedness is then subject. All the terms and covenants of this Agreement shall inure to the benefit of any holder of any such approved-refinanced debt; and all references to the Senior Loan, the Senior Note, the Senior Loan Agreement, the Senior Security Instrument, the Senior Loan Documents and Senior Lender shall mean, respectively, the approved refinance loan, the refinance note loan agreement, the mortgage securing the refinance note, all documents evidencing securing or otherwise pertaining to the refinance note and the holder thereof

4. Standstill Agreement; Right to Cure Senior Loan Default.

(a) Until such time as any of the Senior Indebtedness has been repaid in full and the Senior Security Instrument has been released and discharged, for a period of sixty (60) days from the date of delivery to Senior Lender of a written notice of a Junior Loan Default after the expiration of any notice and cure periods applicable thereto, Junior Lender shall not without the prior written consent of Senior Lender, which may be withheld only in the exercise of Senior Lender's sole and absolute discretion, commence any judicial or non-judicial foreclosure action or proceeding nor shall Junior Lender exercise any other rights or remedies it may have under the Junior Loan Documents, including, but not limited to accelerating the Junior Loan (and enforcing any "due on sale" provision included in the Junior Loan Documents), collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder; provided, however, that such limitation on the remedies of Junior Lender shall not limit Junior Lender's rights to (i) send all pre-notice of default letters, default notices (other than a recorded statutory notice of default under Civil Code Section 2924c) and/or other notices to Borrower or other persons, including without limitation any such notices or letters determined by Junior Lender as being necessary or desirable to get any and all pre-cure, cure or other periods running and/or taking any and all other actions necessary to satisfy any and all other preconditions to an Event of Default under the Junior Loan Documents, (ii) compute

interest on all amounts due and payable under the Junior Loan Documents at the default rate described in the Junior Loan Documents and computing prepayment premiums, if any, and late charges thereunder, (iii) protect by appropriate legal means (which shall not include filing a notice of default under Civil Code Section 2924c or seeking a receiver over the Property) against material adverse health or safety conditions to tenants occupying the Property, or the Property itself, if Borrower or Senior Lender fails to act and provide written notice to Junior Lender that such conditions are being addressed by Borrower or Senior Lender within fifteen (15) calendar days after written notice by Junior Lender to Borrower and Senior Lender thereof, and (iv) seek Equitable Relief. As defined herein, "Equitable Relief" shall mean seeking, applying for, pursuing or obtaining one or more of the following: (i) an order of specific performance enforcing any affordability or health and safety covenants set forth in the Junior Regulatory Agreement (and in connection therewith, Borrower acknowledges and agrees that the injury to the Department arising from a failure or default under this Agreement would be irreparable and that the amount of compensation, which would provide adequate relief to the Department, in light of the purposes and requirements of the Junior Regulatory Agreement, would be impossible to ascertain; (ii) a temporary restraining order, preliminary injunction or permanent injunction against the violation of such covenants; (iii) declaratory relief; (iv) conducting a department investigation or holding an administrative hearing to determine whether or what action, if any, is appropriate with respect to the Property; (v) seeking the payment and/or reimbursement of any and all court costs, attorneys' fees, witness fees and the like incurred by Junior Lender in pursuing any or all of the foregoing. Junior Lender, in seeking Equitable Relief may plead additional causes of action seeking money damages or other relief if and only if such additional causes of action could be barred if not brought as part of the complaint for Equitable Relief and Junior Lender refrains from prosecuting such causes of action until the end of the 60-day standstill period set forth in this paragraph and provided further nothing contained herein restricts a court of applicable jurisdiction from providing additional remedial orders upon such court's own unsolicited motion. Upon a default under the Senior Regulatory Agreement, nothing contained in this Section 4 shall restrict or delay Junior Lender from exercising all remedies available to Junior Lender under the Senior Regulatory Agreement.

(b) Senior Lender hereby consents to the existence of the Junior Loan Documents and the Senior Regulatory Agreement and agrees that the execution and, where applicable, recording of the Junior Loan Documents and the Senior Regulatory Agreement does not constitute a Senior Loan Default. Senior Lender shall, simultaneously with the sending of any notice of a Senior Loan Default to Borrower, send to Junior Lender a copy of said notice under the Senior Loan Documents; provided, however, failure to send such notice of default shall not affect the validity of such notice or any obligation of Borrower to Senior Lender and shall not affect the relative priorities between the Senior Loan and the Junior Loan as set forth herein. Borrower covenants and agrees to forward to Junior Lender, within three (3) business days of Borrower's receipt thereof, a copy of any notice of a Senior Loan Default Borrower receives from Senior Lender.

(c) Junior Lender shall have the right, to the extent that Borrower has any such cure right under the Senior Loan Documents, but shall have no obligation, to cure any Senior Loan Default; provided, if Junior Lender shall elect to cure any such Default, it shall

so notify Senior Lender and shall commence and complete such curing within any applicable notice or grace period, if any, as Borrower is permitted by the terms of the Senior Loan Documents to cure such Senior Loan Default. The 60-day standstill restriction set forth in Section 4(a) above shall immediately terminate if and when Senior Lender shall (1) records a notice of default against the Property pursuant to California Civil Code Section 2924c or otherwise record any document necessary to commence a non-judicial power of sale foreclosure of the Property or (2) file an action against Borrower for the judicial foreclosure of the Property.

The provisions of this Section 4(c) are intended to supplement, and not to limit, terminate, waive, modify or replace, in whole or in part, those provisions of law pertaining to notice and cure rights of junior encumbrancers including, without limitation, those set forth in California Civil Code Sections 2924b and 2924c (if applicable), all of which shall continue to be available to Junior Lender, regardless of any other term or provision of this Agreement, or whether or not Junior Lender avails itself of any rights granted to it under this Agreement, including, without limitation this Section 4(c).

(d) Moreover, to the extent the default is a monetary default under the Senior Loan Documents, Junior Lender can cure the default by paying the Borrower's missed payments, including interest and enforcement costs; and such cure may be made by Junior Lender tendering interest on missed payments at the regular stated note interest rate provided for in the Senior Loan Documents, and Junior Lender, in order to effect a complete cure, shall not be required to pay interest at any accelerated or default rate.

(e) Junior Lender acknowledges that any conveyance or other transfer of title to the Property pursuant to a foreclosure of the Junior Security Instrument (including a conveyance or other transfer of title pursuant to the exercise of a power of sale contained in the Junior Security Instrument), shall be subject to the transfer provisions of the Senior Loan Documents; and the person (including Junior Lender) who acquires title to the Property pursuant to the foreclosure proceeding (or pursuant to the exercise of a power of sale contained in the Junior Security Instrument) shall not be deemed to be automatically approved by Senior Lender. Nothing herein shall be deemed to abrogate, abridge, or otherwise adversely impact Junior Lender's rights, interests or lien position with regard to the Senior Regulatory Agreement.

5. **Junior Loan Default.** Junior Lender shall give Senior Lender a concurrent copy of each notice of a Junior Loan Default or other material notice given by Junior Lender under the Junior Loan Documents; provided, however, that failure to send such notice of default shall not affect the validity of such notice or any obligation of Borrower to Junior Lender and shall not affect the relative priorities between the Senior Loan and the Senior Regulatory Agreement as set forth herein. Senior Lender shall have the right, but not the obligation, to cure any Junior Loan Default within sixty (60) days following the date of such notice; provided, however that Junior Lender shall be entitled, during such sixty (60) day period, to continue to pursue its rights and remedies under the Junior Loan Documents, subject to the rights and limitations contained in this Agreement. All amounts paid by Senior Lender in accordance with the Senior Loan Documents to cure a Junior Loan Default shall be deemed to have been advanced by Senior Lender pursuant to, and shall be secured by, the Senior Loan Agreement and the Senior Security Instrument.

6. **Default.** Senior Lender and Junior Lender each acknowledge and agree that in the event either party fails to comply with its obligations hereunder, the other party shall have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief, but the exercise of such rights shall be subject to the terms and limitations of this Agreement, including, without limitation, Section 4(a). If at any time Borrower cures any Senior Loan Default to the satisfaction of Senior Lender, or Senior Lender agrees to waive the same, as evidenced by written notice from Senior Lender to Junior Lender that such default has been fully cured or waived and that Borrower is no longer in default under the Senior Loan Documents, any default under the Junior Loan Documents to the extent arising from such Senior Loan Default shall be deemed cured and provided there are no other, independent defaults under the Junior Loan Documents, the Junior Loan and Senior Loan shall both be retroactively reinstated as if such Senior Loan Default had never occurred.

7. **Enforcement Costs.** In the event any legal action is filed to enforce or interpret this Agreement, then the prevailing party in such action shall be entitled to receive from the non-prevailing party the prevailing party's reasonable attorneys' fees and other legal costs.

8. **Notices.** Any notice which any party hereto may be required or may desire to give hereunder shall be deemed to have been given and shall be effective only if it is in writing and (i) delivered personally, (ii) mailed, postage prepaid, by United State registered or certified mail, return receipts requested, or (iii) delivered by overnight express courier, in each instance addressed as follows:

If to Borrower:	Escalante Meadows, L.P. c/o Housing Authority of the County of Santa Barbara 815 West Ocean Avenue Lompoc, CA 93436 Attention: Executive Director
-----------------	---

If to Junior Lender:	County of Santa Barbara Community Services Department 123 East Anapamu St., 2 nd Floor Santa Barbara, CA 93101
----------------------	--

If to Senior Lender:	Pacific Western Bank 1001 Marsh Street San Luis Obispo, CA Attn: Nathan Roddick
----------------------	--

or at such other addresses or to the attention of such other persons as may from time to time be designated by the party to be addressed by written notice to the other in the manner herein provided. Notices, demands and requests given in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder when received or when delivery is refused or when the same are returned to sender for failure to be called for.

9. **Term.** The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the Senior Loan Documents; (ii) the payment of all of the principal of, interest on and other amounts payable under the Junior Loan Documents, other than by reason of payments which Junior Lender is obligated to remit to Senior Lender pursuant to the terms hereof; (iii) the acquisition by Senior Lender of Borrower's interest in the Property pursuant to a foreclosure, of (or the exercise of a power of sale contained in) the Senior Security Instrument; or (iv) the acquisition by Junior Lender of Borrower's interest in the Property pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale contained in) the Junior Security Instrument, but only if such acquisition of title does not violate any of the terms of this Agreement. Notwithstanding the foregoing, the Senior Regulatory Agreement shall continue in effect and of record pursuant to the terms thereof.

10. **Miscellaneous.**

(a) Either party to this Agreement shall, within thirty (30) business days following a request from the other party, provide the requesting party with a written statement setting forth the then current outstanding principal balance of that party's loan, the aggregate accrued and unpaid interest under their loan, and stating whether, to the knowledge of that lender, any default or event of default exists under the loan, and containing such other information with respect to the indebtedness as the requesting party may reasonably require.

(b) Reserved.

(c) This Agreement shall bind and inure to the benefit of all successors and assigns of Junior Lender and Senior Lender. Senior Lender may assign its interest in the Senior Loan Documents without advance notice to or consent of Junior Lender. Junior Lender shall not, without the prior written approval of Senior Lender, assign the Junior Loan Documents or the Senior Regulatory Agreement to any party other than another governmental entity; provided that (1) from and after an uncured Junior Loan Default, Junior Lender may assign the Junior Loan to a non-governmental entity so long as the assignee is a nonprofit corporation active and experienced in the development or financing of affordable housing, (2) prior to an uncured Junior Loan Default, neither the Junior Regulatory Agreement nor the Senior Affordability Restrictions shall be assigned by Junior Lender to a non-governmental entity. Upon any assignment of the Senior Loan Documents, on the one hand, or the Junior Loan Documents or the Senior Regulatory Agreement, on the other, the assigning party agrees to give the other parties hereto written notice of such assignment within seven (7) days following the effective date of such assignment; provided, however, that the failure timely to send such notice shall not be a default hereunder and shall not affect the relative priorities between the Senior Loan and the Junior Loan as set forth herein and; provided, further, no notice shall be required to be given if the assignment of the Senior Loan was contemplated and included in the Senior Loan Documents. Senior Lender acknowledges that a third party that is not an approved assignee of the Junior Loan Documents or the Senior Regulatory Agreement may become the owner of the Property pursuant to a foreclosure of the Junior Security Instrument or pursuant to a conveyance by Junior Lender to a third party of the right to receive a Trustee's

Deed after a foreclosure sale in which Junior Lender was the successful bidder; provided, however, in any such event such third party would acquire the Property subject to the terms, liens and restrictions, including, without limitation, transfer restrictions, contained in the Senior Loan Documents.

(d) Senior Lender hereby consents to the Junior Loan and the Junior Loan Documents; provided, however, that this Agreement does not constitute an approval by Senior Lender of the terms of the Junior Loan Documents. Junior Lender hereby consents to the Senior Loan and the Senior Loan Documents; provided, however, that this Agreement does not constitute an approval by Junior Lender of the terms of the Senior Loan Documents.

(e) This Agreement may be executed in counterpart originals, each of which shall constitute an original and all of which, when taken together, shall constitute one and the same instrument.

(f) IN ALL RESPECTS, INCLUDING, WITHOUT LIMITATION, MATTERS OF CONSTRUCTION AND PERFORMANCE OF THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER, THIS AGREEMENT HAS BEEN ENTERED INTO AND DELIVERED IN, AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY, THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED, WITHOUT GIVING EFFECT TO ANY PRINCIPLES OF CONFLICTS OF LAW.

(g) Time is of the essence in the performance of every covenant and agreement contained in this Agreement.

(h) If any provision or remedy set forth in this Agreement for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or remedy of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or remedy had never been set forth herein, but only to the extent of such invalidity, illegality or unenforceability.

(i) Each party hereto hereby represents and warrants that this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding agreement enforceable in all material respects in accordance with its terms.

(j) Borrower hereby acknowledges and consents to the execution of this Agreement, and agrees to be bound by the provisions hereof that are applicable to Borrower. Solely as between Senior Lender and Junior Lender, all of the signatories below hereby agree that to the extent of any conflict between the terms and provisions of this Agreement and the terms and provisions of the Senior Loan Documents and/or the Junior Loan Documents respectively, the terms and provisions of this Agreement shall govern and control. By executing this Agreement in the place provided below, Borrower hereby (i) acknowledges the provisions hereof, (ii) agrees not to take any action inconsistent with Senior Lender's rights or Junior Lender's rights under this Agreement, (iii) waives and

relinquishes to the maximum extent permitted by law any and all rights, defenses and claims now existing or hereinafter accruing relating to Junior Lender's forbearance from exercising any rights and remedies pursuant to Section 4 of this Agreement, including, without limitation, any defenses based on the statute of limitations or any equitable defenses, such as laches, and (iv) acknowledges and agrees that (A) this Agreement is entered into for the sole protection and benefit of Senior Lender and Junior Lender (and their respective successors, assigns and participants), and no other person (including Borrower) shall have any benefits, rights or remedies under or by reason of this Agreement, (B) nothing in this Agreement is intended, or shall be construed to, relieve or discharge the obligations or liabilities of any third party (including Borrower under the Senior Loan Documents and the Junior Loan Documents), (C) neither of them nor any of their affiliates shall be, or be deemed to be, beneficiaries of any of the provisions hereof or have any rights hereunder whatsoever, and (D) no provision of this Agreement is intended to, or shall be construed to, give any such third party (including Borrower) any right subrogating to the rights of, or action against, Senior Lender or Junior Lender.

(k) No amendment, supplement, modification, waiver or termination of this Agreement shall be effective against any party unless such amendment, supplement, modification, waiver or termination is contained in a writing signed by such party.

(l) No party other than Senior Lender and Junior Lender shall have any rights under, or be deemed a beneficiary of any of the provisions of, this Agreement.

(m) Nothing herein or in any of the Senior Loan Documents or Junior Loan Documents shall be deemed to constitute Senior Lender as a joint venturer or partner of Junior Lender.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Subordination Agreement or caused this Subordination Agreement to be duly executed and delivered by their respective authorized representatives as of the date first set forth above. The undersigned intend that this instrument shall be deemed to be signed and delivered as a sealed instrument.

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

ATTEST:

COUNTY:

MONA MIYASATO
Clerk of the Board

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

By: Sheila de la Guerra
Deputy Clerk of the Board
Sheila de la Guerra

By: Joan Hartmann
Joan Hartmann, Chair
Board of Supervisors

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

By: George Chapjian
George Chapjian, Director
Community Services Dept. - approved
as to form

By: Robert Geis
Deputy
Robert Geis

APPROVED AS TO FORM

RACHEL VAN MULLEM
COUNTY COUNSEL

By: Lauren Wideman
Deputy County Counsel
Lauren Wideman

RISK MANAGEMENT

By: Gregory Milligan
GREGORY MILLIGAN, ARM, AIC
Risk Manager

(Signatures follow on subsequent page)

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Subordination Agreement or caused this Subordination Agreement to be duly executed and delivered by their respective authorized representatives as of the date first set forth above. The undersigned intend that this instrument shall be deemed to be signed and delivered as a sealed instrument.

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: Sheila de la Guerra
Deputy Clerk of the Board

Sheila de la Guerra
**APPROVED AS TO ACCOUNTING
FORM:**
BETSY SCHAFFER, CPA, CPFO
AUDITOR-CONTROLLER

By: Signed in Counterpart
Deputy

COUNTY:

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

By: Joan Hartmann
Joan Hartmann, Chair
Board of Supervisors

By: Signed in Counterpart
George Chapjian, Director
Community Services Dept. - approved as
to form

APPROVED AS TO FORM

RACHEL VAN MULLEM
COUNTY COUNSEL

By: Lauren Wideman
Deputy County Counsel
Lauren Wideman

RISK MANAGEMENT

By: Signed in Counterpart
GREGORY MILLIGAN, ARM, AIC
Risk Manager

(Signatures follow on subsequent page)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

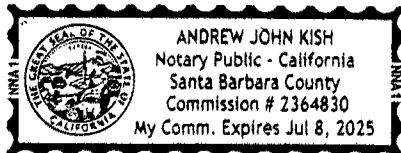
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Santa Barbara)
On 11/15/22 before me, Andrew John Kish, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Joan Hartmann
Name(s) of Signer(s)

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 Andrew Kish
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Subordination Agreement - PWB
Document Date: 11/15/22 Number of Pages: 18
Signer(s) Other Than Named Above: Nathan Roddick, Raymond Dahn, Ed Harlick

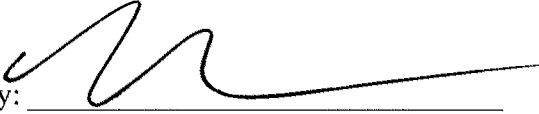
Capacity(ies) Claimed by Signer(s)

Signer's Name: Joan Hartmann
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: Chair of the Board
Signer Is Representing: County of Santa Barbara

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

SENIOR LENDER:

PACIFIC WESTERN BANK, a California
state-chartered bank

By: 

Name: Nathan Roddick
Title: Senior Vice President

NOTARY ACKNOWLEDGMENT STATEMENT

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

County of San Luis Obispo

On 11/10/2022, before me, Melissa Sabino, a Notary Public, personally appeared Nathan Korblich, 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 *Melissa Sabino*

[SEAL]



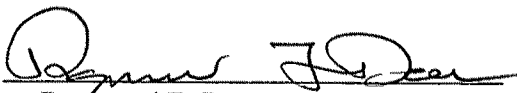
ACKNOWLEDGED AND AGREED AS OF THE DATE FIRST SET FORTH ABOVE:

BORROWER:

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

By: Surf Development Company, a California nonprofit public benefit corporation

Its: Managing General Partner

By: 
Name: Raymond F. Down
Title: President

By: Housing Authority of the County of Santa Barbara, a public body corporate and politic

Its: Administrative General Partner

By: 
Name: Robert P. Havlicek Jr.
Title: Executive Director

NOTARY ACKNOWLEDGMENT STATEMENT

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

County of Santa Barbara

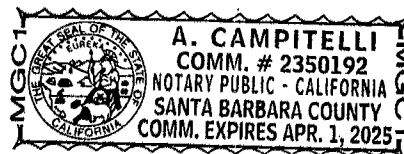
On November 12, 2022, before me, A. Campitelli, a Notary Public, personally appeared Robert P Havlicek Jr., who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in 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]



NOTARY ACKNOWLEDGMENT STATEMENT

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

County of Santa Barbara

On 11/10/22, before me, A. Campitelli, 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 [Handwritten Signature]

[SEAL]



Subordination Agreement

EXHIBIT A**LEGAL DESCRIPTION OF PROPERTY**

Real property in the City of Guadalupe, County of Santa Barbara, State of California, described as follows:

PARCEL ONE:

THAT PORTION OF LOT "A NUMBER 25" OF SUBDIVISION NO. 144 OF THE RANCHO GUADALUPE, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP ENTITLED "MAP OF THE TOWN OF GUADALUPE AND SUBDIVISIONS 143 AND 145 OF THE RANCHO GUADALUPE IN THE COUNTY OF SANTA BARBARA, CAL.", RECORDED IN BOOK "B" OF MISCELLANEOUS RECORDS AT PAGE 420 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND 2" IRON PIPE WITH A 3" BRASS CAP, ILLEGIBLE, 2 FEET BELOW THE SURFACE AND THE NORTHWEST CORNER OF A PARCEL OF LAND SHOWN ON A RECORD OF SURVEY FILED IN BOOK 212 PAGE 79 AND ON THE SOUTHERLY RIGHT-OF-WAY OF 11TH STREET, 66 FEET WIDE; THENCE, COINCIDENT WITH SAID RIGHT-OF-WAY, SOUTH 61°04'45" EAST, A DISTANCE OF 118.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE,

1ST- SOUTH 28°55'15" WEST, A DISTANCE OF 75.37 FEET TO A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 8.50 FEET; THENCE,

2ND- WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00" AN ARC DISTANCE OF 13.35 FEET; THENCE,

3rd- NORTH 61°04'45" WEST, A DISTANCE OF 30.22 FEET TO A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 45.50 FEET; THENCE,

4TH- WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 70°47'10" AN ARC DISTANCE OF 56.21 FEET TO A REVERSE CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 3.00 FEET; THENCE,

5TH- WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 70°47'10" AN ARC DISTANCE OF 3.71 FEET; THENCE,

6TH- NORTH 61°04'45" WEST, A DISTANCE OF 18.76 FEET; THENCE,

7TH- SOUTH 28°55'15" WEST, A DISTANCE OF 471.68 FEET; THENCE,

8th- NORTH 61°04'45" WEST, A DISTANCE OF 12.08 FEET; THENCE,

9TH- SOUTH 28°55'15" WEST, A DISTANCE OF 123.17 FEET; THENCE,
10TH- SOUTH 61°04'45" EAST. A DISTANCE OF 102.52 FEET; THENCE,
11TH- SOUTH 28°55'15" WEST, A DISTANCE OF 23.72 FEET; THENCE,
12TH- SOUTH 61°04'45" EAST, A DISTANCE OF 106.18 FEET; THENCE,
13TH- NORTH 28°55'15" EAST, A DISTANCE OF 74.38 FEET; THENCE,
14TH- SOUTH 67°40'10" EAST, A DISTANCE OF 64.65 FEET; THENCE,
15TH- NORTH 83°19'52" EAST, A DISTANCE OF 101.91 FEET; THENCE,
16TH- NORTH 73°55'15" EAST, A DISTANCE OF 96.65 FEET; THENCE,
17TH- SOUTH 16°04'45" EAST, A DISTANCE OF 46.56 FEET; THENCE,
18TH- NORTH 73°55'15" EAST, A DISTANCE OF 55.81 FEET; THENCE,
19TH- NORTH 16°04'45" WEST, A DISTANCE OF 40.19 FEET; THENCE,
20TH- NORTH 28°55'15" EAST, A DISTANCE OF 108.03 FEET; THENCE,
21ST- SOUTH 61°04'45" EAST, A DISTANCE OF 19.00 FEET; THENCE,
22ND- NORTH 28°55'15" EAST, A DISTANCE OF 245.66 FEET; THENCE,
23RD- NORTH 61°04'45" WEST, A DISTANCE OF 17.38 FEET TO A CURVE CONCAVE
EASTERLY HAVING A RADIUS OF 1.52 FEET; THENCE,
24TH- NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00"
AN ARC DISTANCE OF 2.39 FEET; THENCE,
25TH- NORTH 28°55'15" EAST, A DISTANCE OF 80.33 FEET TO A CURVE CONCAVE
WESTERLY HAVING A RADIUS OF 21.47 FEET; THENCE,
26TH- NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89°52'00"
AN ARC DISTANCE OF 33.67 FEET, (HAVING A RADIAL BEARING OF NORTH 29°03'15"
EAST AT THE END OF SAID CURVE) TO A REVERSE CURVE CONCAVE EASTERLY
HAVING A RADIUS OF 1.97 FEET; THENCE,
27TH- NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00"
AN ARC DISTANCE OF 3.09 FEET; THENCE,
28TH- NORTH 28°55'15" EAST, A DISTANCE OF 17.03 FEET; THENCE,

29TH- NORTH 61°04'45" WEST, A DISTANCE OF 56.91 FEET; THENCE,
 30TH- SOUTH 28°55'15" WEST, A DISTANCE OF 92.40 FEET; THENCE,
 31ST- NORTH 61°04'45" WEST, A DISTANCE OF 39.67 FEET; THENCE,
 32ND- SOUTH 28°55'15" WEST, A DISTANCE OF 229.23 FEET; THENCE,
 33RD- NORTH 61°04'45" WEST, A DISTANCE OF 46.52 FEET; THENCE,
 34TH- SOUTH 28°55'15" WEST, A DISTANCE OF 35.91 FEET; THENCE,
 35TH- SOUTH 83°55'15" WEST, A DISTANCE OF 76.41 FEET; THENCE,
 36TH- NORTH 61°04'45" WEST, A DISTANCE OF 1.56 FEET; THENCE,
 37TH- NORTH 16°04'45" WEST, A DISTANCE OF 79.22 FEET; THENCE,
 38TH- NORTH 73°55'45" EAST, A DISTANCE OF 86.70 FEET; THENCE,
 39TH- NORTH 16°04'15" WEST, A DISTANCE OF 101.43 FEET; THENCE,
 40TH- NORTH 28°55'15" EAST, A DISTANCE OF 32.41 FEET; THENCE,
 41ST- NORTH 09°30'52" EAST, A DISTANCE OF 67.96 FEET; THENCE,
 42ND- SOUTH 61°04'45" EAST, A DISTANCE OF 45.28 FEET; THENCE,
 43RD- NORTH 28°55'15" EAST, A DISTANCE OF 130.36 FEET TO THE SAID SOUTHERLY
 RIGHT-OF-WAY OF 11TH STREET; THENCE,
 44TH- COINCIDENT WITH SAID RIGHT-OF-WAY, NORTH 61°04'45" WEST, A
 DISTANCE OF 78.50 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO:

THAT PORTION OF LOT "A NUMBER 25" OF SUBDIVISION NO. 144 OF THE RANCHO GUADALUPE, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP ENTITLED "MAP OF THE TOWN OF GUADALUPE AND SUBDIVISIONS 143 AND 145 OF THE RANCHO GUADALUPE IN THE COUNTY OF SANTA BARBARA, CAL.", RECORDED IN BOOK "B" OF MISCELLANEOUS RECORDS AT PAGE 420 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 2" IRON PIPE WITH A 3" BRASS CAP, ILLEGIBLE, 2 FEET BELOW THE SURFACE AND THE NORTHWEST CORNER OF A PARCEL OF LAND

SHOWN ON A RECORD OF SURVEY FILED IN BOOK 212 PAGE 79 AND ON THE SOUTHERLY RIGHT-OF-WAY OF 11TH STREET, 66 FEET WIDE; THENCE,

1ST- COINCIDENT WITH SAID RIGHT-OF-WAY, SOUTH $61^{\circ}04'45''$ EAST, A DISTANCE OF 118.00 FEET; THENCE,

2ND- LEAVING SAID RIGHT OF WAY, SOUTH $28^{\circ}55'15''$ WEST, A DISTANCE OF 75.37 FEET TO A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 8.50 FEET; THENCE,

3RD- WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ AN ARC DISTANCE OF 13.35 FEET; THENCE,

4TH- NORTH $61^{\circ}04'45''$ WEST, A DISTANCE OF 30.22 FEET TO A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 45.50 FEET; THENCE,

5TH- WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $70^{\circ}47'10''$ AN ARC DISTANCE OF 56.21 FEET TO A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 3.00 FEET; THENCE,

6TH- WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $70^{\circ}47'10''$ AN ARC DISTANCE OF 3.71 FEET; THENCE,

7TH- NORTH $61^{\circ}04'45''$ WEST, A DISTANCE OF 18.76 FEET; THENCE,

8TH- SOUTH $28^{\circ}55'15''$ WEST, A DISTANCE OF 471.68 FEET; THENCE,

9TH- NORTH $61^{\circ}04'45''$ WEST, A DISTANCE OF 12.08 FEET; THENCE,

10TH- SOUTH $28^{\circ}55'15''$ WEST, A DISTANCE OF 123.17 FEET; THENCE,

11TH- SOUTH $61^{\circ}04'45''$ EAST, A DISTANCE OF 102.52 FEET; THENCE,

12TH- SOUTH $28^{\circ}55'15''$ WEST, A DISTANCE OF 23.72 FEET; THENCE,

13TH- SOUTH $61^{\circ}04'45''$ EAST, A DISTANCE OF 106.18 FEET; THENCE,

14TH- NORTH $28^{\circ}55'15''$ EAST, A DISTANCE OF 74.38 FEET; THENCE,

15TH- SOUTH $67^{\circ}40'10''$ EAST, A DISTANCE OF 64.65 FEET; THENCE,

16TH- NORTH $83^{\circ}19'52''$ EAST, A DISTANCE OF 101.91 FEET; THENCE,

17TH- NORTH $73^{\circ}55'15''$ EAST, A DISTANCE OF 96.65 FEET; THENCE,

18TH- SOUTH $16^{\circ}04'45''$ EAST, A DISTANCE OF 46.56 FEET; THENCE,

19TH- NORTH 73°55'15" EAST, A DISTANCE OF 55.81 FEET; THENCE,

20TH- NORTH 16°04'45" WEST, A DISTANCE OF 40.19 FEET; THENCE,

21ST- NORTH 28°55'15" EAST, A DISTANCE OF 108.03 FEET; THENCE,

22ND- SOUTH 61°04'45" EAST, A DISTANCE OF 19.00 FEET; THENCE,

23RD- NORTH 28°55'15" EAST, A DISTANCE OF 245.66 FEET; THENCE,

24TH- NORTH 61°04'45" WEST, A DISTANCE OF 17.38 FEET TO A CURVE CONCAVE
EASTERLY HAVING A RADIUS OF 1.52 FEET; THENCE,

25TH- NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00"
AN ARC DISTANCE OF 2.39 FEET; THENCE,

26TH- NORTH 28°55'15" EAST, A DISTANCE OF 80.33 FEET TO A CURVE CONCAVE
WESTERLY HAVING A RADIUS OF 21.47 FEET; THENCE,

27TH- NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89°52'00"
AN ARC DISTANCE OF 33.67 FEET, (HAVING A RADIAL BEARING OF NORTH 29°03'15"
EAST AT THE END OF SAID CURVE) TO A REVERSE CURVE CONCAVE EASTERLY
HAVING A RADIUS OF 1.97 FEET; THENCE,

28TH- NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00"
AN ARC DISTANCE OF 3.09 FEET; THENCE,

29TH- NORTH 28°55'15" EAST, A DISTANCE OF 17.03 FEET; THENCE,

30TH- NORTH 61°04'45" WEST, A DISTANCE OF 56.91 FEET; THENCE,

31ST- NORTH 28°55'15" EAST, A DISTANCE OF 14.56 FEET TO THE SAID SOUTHERLY
RIGHT-OF-WAY OF 11TH STREET; THENCE,

32ND- COINCIDENT WITH SAID RIGHT-OF-WAY, SOUTH 61°04'45" EAST, A
DISTANCE OF 109.41 FEET TO THE NORTHEASTERLY CORNER OF THE LAND
SURVEYED PER SAID RECORD OF SURVEY; THENCE,

33RD- - COINCIDENT WITH THE SOUTHEASTERLY LINE OF SAID PARCEL, SOUTH
28°55'15" WEST, A DISTANCE OF 780.45 FEET TO THE SOUTHEASTERLY CORNER OF
SAID PARCEL; THENCE,

34TH- COINCIDENT WITH THE SOUTHWESTERLY LAND OF SAID PARCEL, NORTH
61°04'45" WEST, A DISTANCE OF 500.29 FEET TO THE SOUTHWESTERLY CORNER OF
SAID PARCEL; THENCE,

35TH- COINCIDENT WITH THE WESTERLY LINE OF SAID PARCEL, NORTH 28°56'42" EAST, A DISTANCE OF 780.45 FEET TO THE NORTHWESTERLY CORNER OF SAID PARCEL AND TO THE POINT OF BEGINNING.

PARCEL THREE:

EASEMENTS AS CREATED, DEFINED AND DEPICTED IN THAT CERTAIN "DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS AND MAINTENANCE" FOR VEHICULAR INGRESS, EGRESS, DRIVEWAY, PARKING, MULTI-PURPOSE PATH, DRAINAGE, COMMON OPEN SPACE AND UTILITIES, RECORDED AUGUST 15, 2022, AS INSTRUMENT NO. 2022-0036055, OFFICIAL RECORDS OF SANTA BARBARA COUNTY.