

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

Brownstein Hyatt Farber Schreck, LLP
1021 Anacapa Street
Santa Barbara, CA 93101
Attn: Josh Rabinowitz

APN: 039-222-028; 039-222-029

SUBORDINATION OF LOAN DOCUMENTS

THIS SUBORDINATION OF LOAN DOCUMENTS ("Subordination") is made and entered into effective as of _____, 2024, by the COUNTY OF SANTA BARBARA, a political subdivision of the State of California (the "County") and SANCTUARY CENTERS OF SANTA BARBARA, INC., a California nonprofit public benefit corporation (together with its successors and assigns, "Sanctuary Centers"), and collectively with the County, the "Parties") with respect to: a Permanent Local Housing Assistance ("PLHA") loan to Sanctuary Centers in the principal amount of \$1,400,000.00 (as amended, modified or supplemented from time to time, the "PLHA Loan") evidenced by that certain PLHA Loan Agreement dated August 22, 2023 between Sanctuary Centers and the County (as amended, modified or supplemented from time to time, the "PLHA Loan Agreement"), that certain PLHA Loan Promissory Note, dated August 22, 2023 in the principal amount of \$1,400,000 (the "PLHA Promissory Note"), that certain PLHA Loan Regulatory Agreement, dated August 22, 2023 executed by Sanctuary Centers (as amended, modified or supplemented from time to time, the "PLHA Regulatory Agreement"), and secured by that certain PLHA Loan Deed of Trust, Assignment of Rents, and Security Agreement, dated August 22, 2023, by Sanctuary Centers for the benefit of the County (as amended, modified or supplemented from time to time, the "PLHA Deed of Trust"), and collectively with the PLHA Loan Agreement, PLHA Promissory Note, and the PLHA Regulatory Agreement, the "Subordinated Documents").

FOR VALUABLE CONSIDERATION, receipt and sufficiency of which is hereby acknowledged, the County hereby declares and agrees as follows:

1. Sanctuary Centers owns that certain real property commonly known as 115 West Anapamu Street, Santa Barbara, California 93101, APN 039-222-029 ("115 W Anapamu") and the adjacent vacant (driveway/parking) parcel identified as APN 039-222-028 (the "Vacant Parcel", and collectively with 115 W Anapamu, the "Properties"), which Properties are more particularly described on Exhibit A attached hereto and are subject to the Subordinated Documents.
2. To enable Sanctuary Centers to secure California Department of Social Services ("CDSS") Community Care Expansion funding ("CCE Financing") in the amount of Seven Million Dollars \$7,000,000, which funding will be evidenced by a Performance Deed of Trust, Security Agreement and Fixture Filing and related documents (collectively, the "CCE Documents"), the County hereby subordinates the Subordinated Documents to the liens on the Properties of the CCE Documents.
3. While any portion of the CCE Financing remains outstanding or any terms of the CCE Documents remain in effect, the County hereby: (a) expressly subordinates the Subordinated Documents to the CCE Documents; and (b) agrees, while any portion of the CCE Financings remain outstanding, to forbear from enforcing any rights under the Subordinated Documents against Sanctuary Centers.
4. CDSS and its successors and assigns shall be third party beneficiaries of this Subordination.

5. To the extent there is any inconsistency between the terms of any one or more of the Subordinated Documents and this Subordination, the terms of this Subordination shall prevail and control.

6. This Subordination may be executed in any number of counterparts, each of which shall constitute an original, and all of which, taken together, shall constitute a single instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Subordination effective as of the date first set forth above.

COUNTY:

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

By: _____
Steve Lavagnino, Board Chair

SANCTUARY CENTERS:

SANCTUARY CENTERS OF SANTA BARBARA, INC., a California nonprofit public benefit corporation

By: _____
Barry Schoer, CEO

ACKNOWLEDGEMENT

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 05 Jan 2024, 2024, before me, LW Pereverziev, Notary Public, personally appeared Berry Schoer 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.

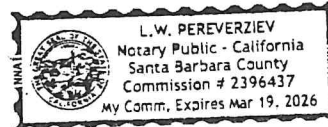
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)

L.W. Pereverziev, Notary Public
Santa Barbara County, 805 674-2323
Comm. No. 2396437, Exp. 03/19/2026



ACKNOWLEDGEMENT

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 _____)

On _____, 2024, before me, _____, 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.

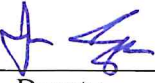
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

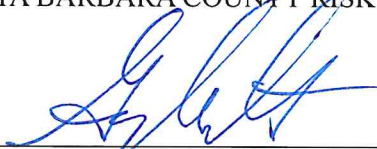
APPROVED AS TO ACCOUNTING FORM:
BETSY M. SCHAFFER, CPA, CPFO
SANTA BARBARA COUNTY AUDITOR-CONTROLLER

By: 
Deputy

APPROVED AS TO FORM:
RACHEL VAN MULLEM
SANTA BARBARA COUNTY COUNSEL

By: 
Deputy County Counsel

APPROVED AS TO FORM:
SANTA BARBARA COUNTY RISK MANAGEMENT

By: 
Gregory Milligan ARM, AIC

APPROVED BY DEPARTMENT:
SANTA BARBARA COUNTY COMMUNITY SERVICES DEPARTMENT

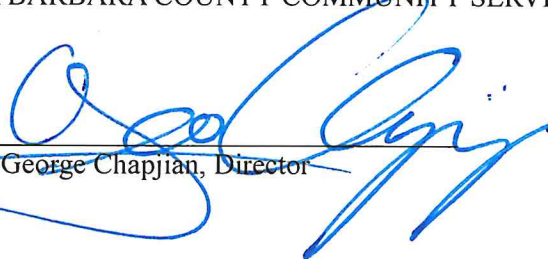
By: 
George Chapjian, Director

EXHIBIT A
Legal Description of the Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SANTA BARBARA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS: THAT PORTION OF CITY BLOCK 126 AS DESIGNATED ON THE OFFICIAL MAP OF THE CITY OF SANTA BARBARA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHWEST LINE OF SAID BLOCK ALSO BEING THE SOUTHEAST LINE OF ANAPAMU STREET, DISTANT THEREON S41°30'00"W 170.00' FROM THE NORTH CORNER OF SAID BLOCK TO THE NORTH CORNER OF LOT 7 AS DESIGNATED AND SHOWN ON THE PLAT OR MAP AND REPORT FILED IN THE SUPERIOR COURT OF SAID COUNTY OF SANTA BARBARA, IN THE PARTITION SUIT OF EUGENE S. UPSON VS JULIA E. VAN STYKE, ET UX., DATED AUGUST 18, 1898, THE FINAL DECREE OF PARTITION IN SAID SUIT BEING RENDERED AUGUST 31, 1898, AND A COPY THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SANTA BARBARA COUNTY ON THE 31ST DAY OF AUGUST 1898, AND RECORDED IN BOOK 65 OF DEEDS, PAGE 123;

THENCE S48°29'23"E, PARALLEL TO THE NORTHEAST LINE OF SAID BLOCK 200.00' TO THE MOST EAST CORNER OF SAID LOT 7;

THENCE S41°30'00"W, PARALLEL TO SAID NORTHWEST LINE OF SAID BLOCK 55.00' TO THE MOST SOUTH CORNER OF SAID LOT 7;

THENCE S48°29'23"E, PARALLEL TO THE NORTHEAST LINE OF SAID BLOCK 25.00' TO THE SOUTHEAST LINE OF THE NORTHWEST 225.00' OF SAID BLOCK;

THENCE S41°30'00"W, ALONG SAID NORTHWEST 225.00', 17.83' TO THE NORTHEAST LINE OF THE SOUTHWEST 210.00' OF SAID BLOCK;

THENCE N48°30'15"W, ALONG SAID SOUTHWEST 210.00' OF SAID BLOCK 225.00' TO THE NORTHWEST LINE OF SAID BLOCK ALSO BEING THE SOUTHEAST LINE OF ANAPAMU STREET;

THENCE N41°30'00"E, ALONG THE NORTHWEST LINE OF SAID BLOCK AND THE SOUTHEAST LINE OF ANAPAMU STREET 72.89' MORE OR LESS, TO THE POINT OF BEGINNING.

SAID PROPERTY IS DESCRIBED IN THAT CERTAIN "CERTIFICATE OF VOLUNTARY MERGER", RECORDED SEPTEMBER 14, 2020, INSTRUMENT NO. 2020-0049523 OF OFFICIAL RECORDS.