

Attachment B

Addendum to Subordination Agreement

SUBORDINATION AGREEMENT ADDENDUM

The following terms and conditions of this Subordination Agreement Addendum (“Addendum”) are hereby incorporated in and made a part of that certain Subordination Agreement (“Agreement”), dated June __, 2019, by and between Surf Development Company (“Owner”) and the County of Santa Barbara (“Beneficiary”). The definitions in the Agreement are applicable to this Addendum. If there is any conflict between the terms of the Agreement and this Addendum the terms of this Addendum shall control.

1. Lender Agreements. Five Star Bank, N.A. (“Lender”) agrees that it shall not complete a foreclosure sale of the Property or record a deed-in-lieu of foreclosure with respect to the Property (each, a “**Foreclosure Remedy**”) unless Beneficiary has first been given ninety (90) days written notice of the Event(s) of Default giving Lender the right to complete such Foreclosure Remedy, and unless Beneficiary has failed, within such ninety (90)-day period, to cure such Event(s) of Default; provided, however, that Lender shall be entitled during such ninety (90)-day period to continue to pursue all of its rights and remedies under the Lender’s loan agreement, promissory note and deed of trust (collectively “Senior Loan Documents”), including, but not limited to, acceleration of the Lender’s loan (subject to any de-acceleration provisions specifically set forth in the Senior Loan Documents), commencement and pursuit of a judicial or non-judicial foreclosure (but not completion of the foreclosure sale), appointment of a receiver, enforcement of any guaranty (subject to any notice and cure provisions contained therein), and/or enforcement of any other Senior Loan Document. In the event Lender has accelerated the Lender’s loan and Beneficiary cures all Events of Default giving rise to such acceleration within the ninety (90)-day cure period described above, such cure shall have the effect of de-accelerating the Lender’s loan; provided, however, that such de-acceleration shall not waive or limit any of Lender’s rights to accelerate the Lender’s loan or exercise any other remedies under the Senior Loan Documents as to any future or continuing Events of Default. It is the express intent of the parties hereunder that Lender shall have the right to pursue all rights and remedies, except completion of a Foreclosure Remedy, without liability to Beneficiary for failure to provide timely notice to Beneficiary required hereunder, and that Lender’s liability hereunder shall be expressly limited to actual and consequential damages to Beneficiary directly caused by Lender’s completion of a Foreclosure Remedy without Beneficiary receiving the notice and opportunity to cure described above. Lender shall give Beneficiary notice at the address set forth below or such other address as Beneficiary may instruct Lender in writing from time to time:

County of Santa Barbara
Housing and Community Development
123 East Anapamu Street, 2nd Floor
Santa Barbara, California 93101
Attention: Deputy Director

With a copy to:
Office of County Counsel
County of Santa Barbara
105 E. Anapamu Street, Room 201
Santa Barbara, California 93101

(signatures appear on next page)

"BENEFICIARY"

COUNTY OF SANTA BARBARA,
a political subdivision of the State of California

By: _____
Steve Lavagnino, Chair
Board of Supervisors


ATTEST:

MONA MIYASATO
Clerk of the Board

By: _____
Deputy Clerk of the Board

APPROVED AS TO ACCOUNTING FORM:

 **BETSY M. SCHAFFER, CPA**
AUDITOR-CONTROLLER

By: 
Deputy

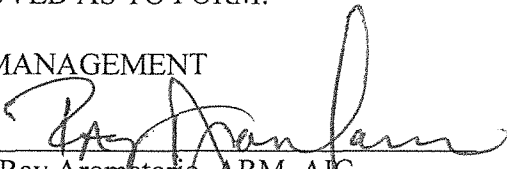
APPROVED AS TO FORM:

Michael C. Ghizzoni
COUNTY COUNSEL

By: 
Deputy County Counsel


APPROVED AS TO FORM:

RISK MANAGEMENT

By: 
Ray Aromatorio, ARM, AIC
Risk Manager


"OWNER"

SURF DEVELOPMENT COMPANY, a
California nonprofit public benefit
corporation

By: 
Name: Raymond Downs
Title: President

"LENDER"

FIVE STAR BANK, N.A.

By: 
Name: Erik Kapeller
Title: SVP / Sr. Loan Officer

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ADDENDUM**

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(signatures appear on next page)

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a political subdivision of the State of California

By: _____
Steve Lavagnino, Chair
Board of Supervisors


ATTEST:

MONA MIYASATO
Clerk of the Board

By: _____
Deputy Clerk of the Board

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 **BETSY M. SCHAFFER, CPA**
AUDITOR-CONTROLLER

By: 
Deputy

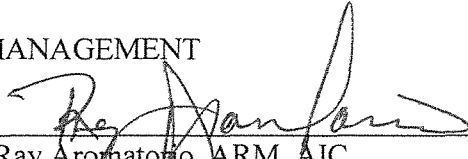
APPROVED AS TO FORM:

Michael C. Ghizzoni
COUNTY COUNSEL

By: 
Deputy County Counsel


APPROVED AS TO FORM:

RISK MANAGEMENT

By: 
Ray Aromatario, ARM, AIC
Risk Manager

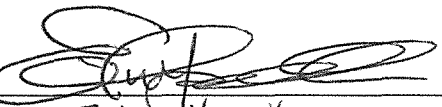
“OWNER”

SURF DEVELOPMENT COMPANY, a
California nonprofit public benefit
corporation

By: 
Name: Raymond Downes
Title: President

“LENDER”

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