

RECORDING REQUESTED BY
Lawyers Title Co
AND WHEN RECORDED MAIL TO:
BUSINESS FIRST NATIONAL BANK

APN: 017-240-21
Escrow No: 04001975-400-SNL
Title No: 04001975-08

Space above this line for Recorder's use

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 AGREEMENT, made this _____ by CASA ESPERANZA HOMELESS CENTER, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION owner of the land hereinafter described and hereinafter referred to as "Owner", and COUNTY OF SANTA BARBARA, POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, CITY OF SANTA BARBARA, A BODY POLITIC AND THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA, A BODY POLITIC present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Owner has executed a deed of trust, dated AUGUST 16, 1999, to CHICAGO TITLE COMPANY, as trustee, covering:

See Exhibit A attached hereto and made a part hereof.

Commonly known as: 816 Cacique Street, "A", Santa Barbara, CA 93103

to secure a note in the sum of \$1,000,000.00, dated AUGUST 16, 1999, in favor of COUNTY OF SANTA BARBARA, POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, CITY OF SANTA BARBARA, A BODY POLITIC AND THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA, A BODY POLITIC, which deed of trust was recorded AUGUST 17, 1999 AS INSTRUMENT NO 99-0064811, Official Records of said county; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$1,165,000.00, dated _____, in favor of BUSINESS FIRST NATIONAL BANK,

hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

NOW THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said deed of trust securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust first above mentioned.
- (2) That Lender would not make its loan above described without this subordination agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that

- (a) He consents to and approves (i) all provisions of the note and deed of trust in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- (b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- (c) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- (d) An endorsement has been placed upon the note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender above referred to.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

Beneficiary
COUNTY OF SANTA BARBARA, POLITICAL
SUBDIVISION OF THE STATE OF CALIFORNIA

Owner
CASA ESPERANZA HOMELESS CENTER, A CALIFORNIA
NONPROFIT PUBLIC BENEFIT CORPORATION

BY: _____

BY: _____

CITY OF SANTA BARBARA, A BODY POLITIC

BY: _____

THE REDEVELOPMENT AGENCY OF THE CITY OF
SANTA BARBARA, A BODY POLITIC

BY: _____

(All signatures must be acknowledged)

Form Furnished By LAWYERS TITLE COMPANY

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

(SUBORDINATION FORM "A")Deed of Trust to New Deed of Trust

STATE OF CALIFORNIA
COUNTY OF _____ } SS:

On _____, before me, _____,
a Notary Public, personally appeared _____,
personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____

(This area for official notarial seal)

STATE OF CALIFORNIA
COUNTY OF _____ } SS:

On _____, before me, _____,
a Notary Public, personally appeared _____,
personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____

(This area for official notarial seal)

Escrow No.: 04001975-400-SNL

STATE OF CALIFORNIA
COUNTY OF _____ } SS:

On _____, before me, _____,
a Notary Public, personally appeared _____,
personally known to me (or 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.

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Signature _____

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STATE OF CALIFORNIA
COUNTY OF _____ } SS:

On _____, before me, _____,
a Notary Public, personally appeared _____,
personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____

(This area for official notarial seal)

Exhibit A

All that certain real property situated in the County of Santa Barbara, State of California, described as follows:

That portion of Block 351 of the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, described as follows:

Beginning at the most Westerly corner of said Block;

thence Northeasterly along the Southeasterly line of Cacique Street to a 1 ½ iron pipe, distant 194.96 feet Southwesterly from the Northerly corner of said Block;

thence at right angles Southeasterly, 225.00 feet;

thence at right angles Southwesterly, 287.74 feet to the center line of Nopal Street;

thence at right angles Northwesterly, 225.00 feet to a point lying Southwesterly, 30.00 feet from the point of beginning;

thence at right angles, 30.00 feet to the point of beginning, excepting therefrom that portion of said land lying Southwesterly of that line being shown as "N. 47°53'34" W. 225.01 feet" on that lot line. Adjustment map filed in Book 112, Page 96 of Record of Surveys, in the office of the County Recorder of Santa Barbara County.

RECORDING REQUESTED BY
Lawyers Title Co
AND WHEN RECORDED MAIL TO:
BUSINESS FIRST NATIONAL BANK

APN: 017-240-21
Escrow No: 04001975-400-SNL
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THIS AGREEMENT, made this _____ by CASA ESPERANZA HOMELESS CENTER, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION owner of the land hereinafter described and hereinafter referred to as "Owner", and THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA, A BODY POLITIC present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Owner has executed a deed of trust, dated SEPTEMBER 2, 1999, to AMERICAN TITLE COMPANY, as trustee, covering:

See Exhibit A attached hereto and made a part hereof.

Commonly known as: 816 Cacique Street, "A", Santa Barbara, CA 93103

to secure a note in the sum of \$1,220,000.00, dated SEPTEMBER 2, 1999, in favor of THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA, A BODY POLITIC, which deed of trust was recorded SEPTEMBER 21, 1999 AS INSTRUMENT #1999-0075724, Official Records of said county; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$1,165,000.00, dated _____, in favor of BUSINESS FIRST NATIONAL BANK,

hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

NOW THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said deed of trust securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust first above mentioned.
- (2) That Lender would not make its loan above described without this subordination agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that

- (a) He consents to and approves (i) all provisions of the note and deed of trust in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- (b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- (c) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
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Beneficiary

Owner

THE REDEVELOPMENT AGENCY OF THE CITY OF
SANTA BARBARA, A BODY POLITIC

CASA ESPERANZA HOMELESS CENTER, A CALIFORNIA
NONPROFIT PUBLIC BENEFIT CORPORATION

BY _____

BY _____

(All signatures must be acknowledged)

Form Furnished By LAWYERS TITLE COMPANY

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

(SUBORDINATION FORM "A")

Deed of Trust to New Deed of Trust

STATE OF CALIFORNIA
COUNTY OF _____ } SS:

On _____, before me, _____,
a Notary Public, personally appeared _____,
personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____

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STATE OF CALIFORNIA
COUNTY OF _____ } SS:

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Signature _____

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Exhibit A

All that certain real property situated in the County of Santa Barbara, State of California, described as follows:

That portion of Block 351 of the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, described as follows:

Beginning at the most Westerly corner of said Block;

thence Northeasterly along the Southeasterly line of Cacique Street to a 1 ½ iron pipe, distant 194.96 feet Southwesterly from the Northerly corner of said Block;

thence at right angles Southeasterly, 225.00 feet;

thence at right angles Southwesterly, 287.74 feet to the center line of Nopal Street;

thence at right angles Northwesterly, 225.00 feet to a point lying Southwesterly, 30.00 feet from the point of beginning;

thence at right angles, 30.00 feet to the point of beginning, excepting therefrom that portion of said land lying Southwesterly of that line being shown as "N. 47°53'34" W. 225.01 feet" on that lot line. Adjustment map filed in Book 112, Page 96 of Record of Surveys, in the office of the County Recorder of Santa Barbara County.