

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Ann J. McGill  
Kutak Rock LLP  
1650 Farnam Street  
Omaha, Nebraska 68102

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**SUBORDINATION AGREEMENT**

**THIS SUBORDINATION AGREEMENT** (this “Agreement”) is made effective as of [], 2024, by and among **BANC OF CALIFORNIA**, a California state-chartered bank (together with its successors and assigns, the “Senior Lender”), the **COUNTY OF SANTA BARBARA**, a political subdivision of the State of California (together with its successors and assigns, the “County”) and the **HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA**, a public body, corporate and politic, organized under the laws of the State of California (together with its successors and assigns, the “Authority”)<sup>1</sup> and **PATTERSON POINT, L.P.**, a California limited partnership (“Borrower”).

**RECITALS**

- A. Borrower is the owner of certain real property located in Goleta, California, as more particularly described in Exhibit A attached hereto (the “Land”) upon which Borrower intends to acquire, construct, rehabilitate and operate a multifamily housing facility to be known as Patterson Point Apartments (the “Improvements” and together with the Land, the “Property”).
- B. In connection with such acquisition, Borrower is entering into that certain **County HOME Loan Agreement** with the County, dated on or about the date hereof (as amended, modified or supplemented from time to time, the “County Loan Agreement”), and that certain **County HOME Loan Promissory Note**, dated on or about the date hereof (as amended, modified or supplemented from time to time, the “County Note”), evidencing a loan from the County to Borrower (“County Loan”) in the aggregate amount of **One Million, Four Hundred Eighty-Eight Thousand and No/100 Dollars (\$1,488,000)**. Borrower’s obligations under the County HOME Loan Note and the County HOME Loan Agreement are secured by that certain **Deed of Trust, Assignment of Rents, and Security Agreement** (“County Deed of Trust”) made on or about the date hereof, which will be recorded concurrently herewith in the Official Records of the Santa Barbara County Recorder’s Office (“Official Records”). In connection with the County Loan, Borrower is entering into that certain **County Home Loan Regulatory Agreement** with the County, dated on or about the date hereof (as amended, modified or supplemented from time to

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<sup>1</sup> Confirm Authority and Bond Regulatory Agreement will be part of this Subordination Agreement.

time, the “County Regulatory Agreement”), which will be recorded concurrently herewith in the Official Records of the Santa Barbara County Recorder’s Office (“Official Records”), pursuant to which the Property will be subjected to certain restrictions.

- C. Pursuant to the terms of a Continuing Covenant Agreement dated as of July 1, 2024 (as amended, modified or supplemented from time to time, the “Continuing Covenant Agreement”), Borrower has requested that the Senior Lender make certain loans (collectively, the “Bank Loan”) to the Authority, the proceeds of which will be used by the Authority to make certain loans to Borrower in the aggregate amount of **Twelve Million Seven Hundred Twenty Thousand** and No/100 Dollars (**\$12,720,000**) (collectively, the “Authority Loan” and together with the Bank Loan, collectively, the “Loan”), which Authority Loans will be evidenced by one or more promissory notes from Borrower to the Authority (as amended, modified or supplemented from time to time, collectively, the “Borrower Note”). The Borrower’s obligations under the Borrower Note and the Continuing Covenant Agreement will be secured by a Deed of Trust, Security Agreement, Absolute Assignment of Leases and Rents and Fixture Filing recorded against the Property dated as of the date hereof (as amended, modified or supplemented from time to time, the “Senior Deed of Trust”). The Borrower Note, the Continuing Covenant Agreement, the Senior Deed of Trust and any of the other documents evidencing or related to the Loan are collectively referred to as the “Loan Documents.” Other capitalized terms used but not defined in this Agreement will have the meanings given to those terms in the Continuing Covenant Agreement.
- D. In connection with the Loan, Borrower and Authority will also execute that certain Regulatory Agreement and Declaration of Restrictive Covenants (the “Bond Regulatory Agreement”), dated on or about the date hereof, which will be recorded concurrently herewith in the Official Records.
- E. As a condition to making the Loan, the Senior Lender requires that the Senior Deed of Trust and the Bond Regulatory Agreement be a lien on the Property superior to the lien of the County Deed of Trust and that the rights of the Senior Lender and the Authority under the Loan Documents (including, but not limited to, the Senior Deed of Trust) and the Bond Regulatory Agreement, be superior to the rights of the County under the County Deed of Trust. The Senior Lender will not make the Loan unless the County agrees to subordinate its rights and obligations under the County Deed of Trust.
- F. The County hereby agrees to subordinate the County Deed of Trust on and subject to the terms, conditions and requirements set forth in this Agreement.

#### **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Recitals.** The foregoing Recitals are hereby incorporated into this Agreement as agreements among the parties hereto.
2. **Subordination.** The County hereby covenants and agrees that the County Deed of Trust is and will at all times continue to be, subordinate, subject and inferior to the rights of the Senior Lender and Authority under the Loan Documents and the Bond Regulatory Agreement and that the liens, rights (including approval and consent rights), remedies, payment interests, priority interests, and security interests granted to the County pursuant to or in connection with the County Deed of Trust are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights (including approval and consent rights), remedies, payment, priority and security interests granted to the Senior Lender and Authority pursuant to the Loan Documents and Bond Regulatory Agreement and the terms, covenants, conditions, and operations and effects thereof. Notwithstanding the above or any other provision of this Agreement to the contrary, the County may exercise the remedies of specific performance and/or injunctive relief. Notwithstanding the above or any other provision of this Agreement to the contrary, the County Regulatory Agreement shall not be subordinate or subject or inferior to the Loan Documents.
3. **Financing, Encumbrance and Transfer Approval.** The County hereby approves the transfer of the Property to the Borrower and the financing evidenced by the Senior Deed of Trust. The County further agrees that any transfer of the Property in connection with foreclosure or deed in lieu thereof pursuant to the Senior Deed of Trust will not require the County's consent.
4. **Senior Lender Notice of Default.** In consideration of the County's agreements contained in this Agreement, the Senior Lender agrees that in the event of any default by Borrower under any of the Loan Documents ("Senior Default"), the Senior Lender must concurrently give to the County a copy of each material notice (including without limitation each notice of default) given to Borrower under or with respect to or in connection with any of the Loan Documents (each, a "Senior Lender Notice of Default"); 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 Loan and the County Loan as set forth herein. The County, in the County's sole discretion, will have the right (but not the obligation), to the extent that Borrower has any such cure right under the Loan Documents, to cure any Senior Default by Borrower on its and/or Borrower's behalf within the timeframes set forth for such cure under the Loan Documents.
5. **County Notice of Default.** The County must give the Senior Lender a concurrent copy of each material notice (including without limitation each notice of default) given by the County under or with respect to the County Regulatory Agreement and/or County Deed of Trust, and agrees that the Senior Lender, at the Senior Lender's sole election, will have the right (but not the obligation) to cure any default by Borrower under the County Regulatory Agreement and/or County Deed of Trust on its and/or Borrower's behalf. The County hereby represents to the Senior Lender and to the Borrower that, to the best of its

knowledge, there is no current default under the County Regulatory Agreement or County Deed of Trust.

- 6. County's Rights.** Except as set forth in Sections 2 and 7 of this Agreement, nothing in this Agreement is intended to abridge or adversely affect any right or obligation of Borrower and/or the County, respectively, under the County Regulatory Agreement or County Deed of Trust; provided that, (A) neither the County Regulatory Agreement nor the County Deed of Trust may be modified, amended, changed or altered without the prior written consent of the Senior Lender so long as the Loan is secured by the Property and (B) for so long as the Loan is secured by the Property, notwithstanding the terms of the County Regulatory Agreement or County Deed of Trust to the contrary, neither Borrower nor the County will, without the Senior Lender's prior written consent, exercise or seek any right or remedy under the Regulatory Agreement or County Deed of Trust or available at law or in equity which will or could result in (i) the advertising of or commencement of any foreclosure or trustee's sale proceedings, the exercise of any power of sale, or the acceptance of a deed or assignment in lieu of foreclosure or sale; (ii) a transfer of possession of the Property or the control, operations or management thereof; (iii) collection or possession of rents or revenues from or with respect to the Property by any party other than Borrower or the Senior Lender; (iv) appointment of a receiver for the Property; (v) the taking of possession or control of any of the Property; (vi) application of insurance or condemnation proceeds other than as approved by the Senior Lender pursuant to the Loan Documents; (vii) removal or replacement of the existing property manager of the Property; or (viii) a material adverse effect on the Senior Lender's security for the Loan. As set forth in Section 2, notwithstanding the above or any other provision of this Agreement to the contrary, the County may exercise the remedies of specific performance and/or injunctive relief.
- 7. Foreclosure.** In the event of foreclosure, deed in lieu of foreclosure, or similar disposition of the Property by the Senior Lender, no consent will be required from the County and the Senior Lender will have no indemnification obligations to the County for any period during which the Senior Lender does not own or is not in possession of the Property.
- 8. Miscellaneous Provisions.**

  - (a) This Agreement represents the entire understanding and agreement between the parties hereto with regard to the matters addressed herein, and will supersede and cancel any prior agreements with regard to such matters.
  - (b) If there is any conflict or inconsistency between the terms of the County Regulatory Agreement or County Deed of Trust and the terms of this Agreement, then the terms of this Agreement will control.
  - (c) This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties to this Agreement, which will include with regard to the County any permitted successor or assign of the County under or pursuant to the terms of the County Regulatory Agreement or County Deed of Trust and, with regard to the Senior Lender and Authority, any subsequent holder

of the Borrower Note. No other party will be entitled to any benefits hereunder, whether as a third-party beneficiary or otherwise.

- (d) If any one or more of the provisions contained in this Agreement, or any application of any such provisions, is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, then the validity, legality, enforceability, and application of the remaining provisions contained in this Agreement will not in any way be affected or impaired.
- (e) Each notice, request, demand, consent, approval or other communication (collectively, “Notices,” and singly, a “Notice”) which is required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly and sufficiently given if (i) personally delivered with proof of delivery (any Notice so delivered will be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any Notice so delivered will be deemed to have been received on the next Business Day following receipt by the courier), or (iii) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any Notice so sent will be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

If to the County:

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

If to Senior Lender:

Banc of California  
997 Monterey Street, 3<sup>rd</sup> Floor  
San Luis Obispo, CA 93401  
Attention: Nathan Roddick  
Telephone: (805) 548-8210

With a copy to:

Banc of California  
3011 Townsgate Road, Suite 200  
Westlake Village, CA 91361  
Attention: Joseph H. Catmull  
Telephone (805) 322-9566

If to Authority:

Housing Authority of the County of Santa Barbara  
815 West Ocean Avenue  
Lompoc, California 93436  
Attention: Executive Director  
Email: bobhavlicek@hasbarco.org  
Telephone: (805) 736-3423

If to Borrower:

Patterson Point, L.P.  
815 West Ocean Avenue  
Lompoc, California 93436  
Attention: Executive Director

With a copy to:

Red Stone Equity Manager, LLC  
1100 Superior Avenue, Suite 1640  
Cleveland, OH 44114

Any party, by Notice given pursuant to this Section, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its Notices, but Notice of a change of address will only be effective upon receipt. No party hereto will refuse or reject delivery of any Notice given in accordance with this Section.

- (f) [Intentionally omitted.]
- (g) This Agreement will be governed by the laws of the State of California.
- (h) Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations under this Agreement.
- (i) No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.
- (j) Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will 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.

- (k) This Agreement may be amended, changed, modified, altered or terminated only by a written instrument signed by all of the parties to this Agreement or their respective permitted successors or assigns.
- (L) This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.
- (m) Nothing in this Agreement is intended, nor will it be construed, to in any way limit the exercise by the County of its governmental powers (including police, regulatory and taxing powers) with respect to Borrower or the Property to the same extent as if it were not a party to this Agreement or the transactions contemplated by this Agreement.

**[SIGNATURE AND ACKNOWLEDGMENT PAGES FOLLOW]**

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

**COUNTY**

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

By:           *LCS*            
Name:           *Laura Capps*            
Title:           *Vice Chair*



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, July 16, 2024 before me, Sheila de la Guerra, a Deputy Clerk, personally appeared SUPERVISOR LAURA CAPPS, VICE CHAIR OF THE BOARD OF SUPERVISORS, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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 State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
Signature Sheila de la Guerra



**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 \_\_\_\_\_)

On \_\_\_\_\_, before me, \_\_\_\_\_, a 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]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

**BORROWER**

PATTERSON POINT, L.P.,  
a California limited partnership

By: SURF DEVELOPMENT COMPANY, a California  
nonprofit public benefit corporation,  
its managing general partner


By  \_\_\_\_\_  
Raymond F. Down, President

By: PPAGP, LLC, a California limited liability company,  
its administrative general partner

By: HOUSING AUTHORITY OF THE COUNTY OF SANTA  
BARBARA, a public body, corporate and politic, its sole member  
and manager

By  \_\_\_\_\_  
Robert P. Havlicek Jr, Executive Director

By: SANTA BARBARA HOUSING ASSISTANCE  
CORPORATION, a California nonprofit public benefit  
corporation, its co-administrative general partner

By  \_\_\_\_\_  
Carlo Sarmiento, 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 6/3/24, before me, Monica Vega, 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 Monica Vega

[SEAL]



NOTARY ACKNOWLEDGMENT STATEMENT

State of California

County of Santa Barbara

On 5/31/24, before me, Monica Vega, 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(jes), 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 Monica Vega

[SEAL]



**ACKNOWLEDGMENT**

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.

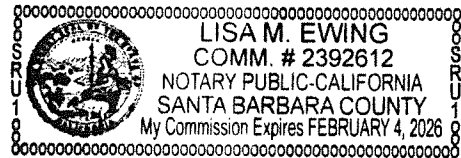
State of California  
County of Santa Barbara )

On June 4, 2024 before me, Lisa M. Ewing, Notary Public  
(insert name and title of the officer)

personally appeared Carlo Sarmiento,  
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 *Lisa M Ewing* (Seal)

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the day and year first above written.

**AUTHORITY**

**HOUSING AUTHORITY OF THE COUNTY  
OF SANTA BARBARA**

By: Robert P. Hawlich Jr.

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 5/31/24, before me, Monica Vega, 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 Monica Vega

[SEAL]





**EXHIBIT A**  
**LEGAL DESCRIPTION**

## Exhibit A

### LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Santa Barbara, State of California, described as follows:

THAT PORTION OF GOLETA RANCHO, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHWEST CORNER OF THE HENRY N. HILL TRACT IN LA GOLETA RANCHO DIVISION, MARKED H. HILL 5 ON EDMUND PEW MAP, FILED, SAID CORNER BEING A CROSS ON ROCK UNDER SURFACE OF GROUND IN THE CENTER OF 60 FOOT COUNTRY ROAD, AND RUNNING, THENCE FIRST SOUTH 83°11' EAST ALONG THE NORTHERLY LINE OF SAID HENRY N. HILL TRACT 18.18 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID LINE SOUTH 83°11' EAST 150.00 FEET; THENCE SOUTH 1°34'23" WEST 195.35 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF THE TRACT OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED JULY 14, 1960 AS INSTRUMENT NO. 22119 IN BOOK 1762, PAGE 98 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE ALONG THE BOUNDARY LINE OF SAID STATE OF CALIFORNIA TRACT OF LAND FOLLOWING COURSES AND DISTANCES, NORTH 58°25'63" WEST 143 FEET, MORE OR LESS, TO AN ANGLE POINT IN SAID LINE; NORTH 34°17'54" WEST 43.08 FEET, AND NORTH 1°34'23" EAST 102.50 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE RIGHT, TITLE AND INTEREST IN AND TO ANY AND ALL OIL, GAS, HYDROCARBONS, ASPHALTUM AND MINERALS LYING AND BEING BELOW THE DEPTH OF 500 FEET BENEATH THE SURFACE OF THE REAL PROPERTY HEREIN CONVEYED; PROVIDED, HOWEVER, THAT THIS EXCEPTION DOES NOT INCLUDE THE RIGHT TO ENTER UPON THE SURFACE OF THE REAL PROPERTY HEREIN DESCRIBED TO DRILL, WHIPSTOCK, DIRECTIONALLY DRILL, MINE, TUNNEL, DIG SHAFTS, OR OTHERWISE MAKE ENTRY BY ANY MEANS WHATSOEVER, THROUGH OR INTO ANY PORTION OF THE REAL PROPERTY HEREIN DESCRIBED LYING AND BEING 500 FEET OF THE SURFACE THEREOF OR TO USE THE SURFACE THEREOF FOR ANY PURPOSES, AS RESERVED IN THE DEED FROM JOHN S. EDWARDS, JR. AND OTHERS, RECORDED JANUARY 21, 1963, BOOK 1972, PAGE 1076 OF OFFICIAL RECORDS; BUT EXPRESSLY EXCEPTING HOWEVER, THE FOLLOWING RIGHTS AND INTEREST WITH RESPECT TO THAT PORTION OF THE REAL PROPERTY HEREIN DESCRIBED LYING AND BEING MORE THAN 500 FEET BENEATH THE SURFACE THEREOF.

(A) THE PERPETUAL RIGHT TO USE EVERY PORTION OF THE HEREIN DESCRIBED REAL PROPERTY LYING MORE THAN 500 FEET BENEATH THE SURFACE THEREOF FOR ANY AND ALL PURPOSES IN CONNECTION WITH THE EXPLOITATION OF, EXTRACTION OF, OR OPERATION FOR ANY AND ALL OF THE MINERALS, OIL, NATURAL GAS, ASPHALTUM OR OTHER HYDROCARBONS HEREINBEFORE RESERVED, OR IN CONNECTION WITH THE EXERCISE OF ANY AND ALL RIGHTS HEREINBEFORE RESERVED OR APPURTENANT TO SAID MINERALS, OIL, NATURAL GAS, ASPHALTUM OR OTHER HYDROCARBONS.

(B) THE PERPETUAL RIGHT TO WHIPSTOCK, DIRECTIONALLY DRILL, MINE AND CONSTRUCT TUNNELS OR SHAFTS FROM LANDS OTHER THAN THOSE HEREINABOVE DESCRIBED IN THE EXERCISE OF ANY AND ALL RIGHTS HEREINBEFORE RESERVED, AND TO BOTTOM SUCH WHIPSTOCKED, DIRECTIONALLY DRILLED WELL OR WELLS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS OF THE LAND HEREINABOVE DESCRIBED, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS, TUNNELS, SHAFTS OR MINES.

APN: 067-200-005