

NO FEE DOCUMENT

**Recording requested by and
When recorded, mail to:**

County of Santa Barbara
105 E. Anapamu Street Room 105
Santa Barbara, CA 93101
Attn: Grants Administration Manager

NO FEE DOCUMENT PURSUANT TO
GOVERNMENT CODE SECTION 27383

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS
(COUNTY)**

This Regulatory Agreement and Declaration of Restrictive Covenants (this "Agreement") is made as of this ___ day of _____, 2009 by and between the County of Santa Barbara, a political subdivision of the State of California (the "Lender"), and Sumida Gardens, L.P., A California Limited Partnership (the "Owner").

RECITALS

A. The Owner has acquired the property located 5505-5585 Sumida Gardens Lane in the City of Goleta, in the County of Santa Barbara, as more particularly described in Exhibit A (the "Property") upon which the Owner has constructed two hundred (200) units of multi-family rental housing (the "Development").

B. The Lender has received HOME Investment Partnership Program funds ("HOME Funds") from the United States Department of Housing and Urban Development ("HUD") pursuant to the Cranston-Gonzales National Affordable Housing Act of 1990 for the purpose of expanding the supply of decent, safe, sanitary and affordable housing for low-income persons and families.

C. Owner has received a loan from Lender of HOME Funds in the amount of Six Hundred Thirty Thousand Dollars (\$630,000) to provide financing for the Development (the "Loan").

E. As further consideration for this funding and to further the interests of the Lender, the Owner has agreed to enter into and record this Agreement. The purpose of this Agreement is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Development. The covenants in this Agreement are intended to run with the land and be binding

on the Owner and its successors and assigns in the Property for the twenty (20) year term of this Agreement.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, and in further consideration for the aforementioned funding, the Owner and the Lender hereby agree as follows:

1. DEFINITIONS

The following terms have the meanings and content set forth in this section wherever used in this Agreement or attached exhibits.

1.1 **"AFFORDABILITY PERIOD"** means the twenty (20) year term of this Agreement during which the Assisted Units must meet the affordability requirements imposed under the HOME Program.

1.2 **"ANNUAL INCOME"** means the Section 8 Program definition of Annual (gross) Income as more particularly defined at 24 CFR 5.609

1.3 **"ASSISTED UNIT"** means any of the eleven (11) Units in the Development with restricted occupancy and rents pursuant to this Agreement which has been designated by Owner as an Assisted Unit.

1.4 **"AREA MEDIAN INCOME"** means the median income for the Santa Barbara/Santa Maria/Lompoc Primary Metropolitan Statistical Area, with adjustments for household size, as determined from time to time by the United States Department of Housing and Urban Development ("HUD") pursuant to the United States Housing Act of 1937, as amended, or such other method of median income calculation applicable to the Lender that HUD may hereafter adopt in connection with said Act.

1.5 **"DEED OF TRUST"** means that certain deed of trust, placed on the Property as security for the Loan with the Owner as trustor and the Lender as beneficiary, as well as any amendments to, modifications of, and restatements of said deed of trust.

1.6 **"DEVELOPMENT"** means the two hundred (200) unit housing project constructed by the Owner on the Property according to the terms of the Loan Agreement.

1.7 **"LENDER"** is the County of Santa Barbara, a political subdivision of the State of California, and its officers, officials, directors, employees, agents and authorized representatives.

1.8 **"LOAN"** means the loan of HOME funds made by the Lender to the Owner for the Development pursuant to the Loan Agreement and the Note.

1.9 **"LOAN AGREEMENT"** is the Loan Agreement executed by and between the Owner and the Lender, setting forth the terms and conditions governing the Loan.

1.10 **"LOAN DOCUMENTS"** are collectively the Loan Agreement, the Note evidencing the Loan, the Deed of Trust securing the Note, and this Agreement as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

1.11 **"NOTE"** means the promissory note executed by the Owner in favor of the Lender evidencing the Loan, which is secured by the Deed of Trust.

1.12 **"OWNER"** means Sumida Gardens L.P., a California Limited Partnership.

1.13 **"PROPERTY"** means the real property described in Exhibit A attached hereto and incorporated herein, including the improvements constructed thereon pursuant to the Loan Agreement.

1.14 **"QUALIFYING HOUSEHOLD"** means a household that qualifies as a Very Low- Income Household.

1.15 **"QUALIFYING RENT"** means the total charges for monthly rent, utilities, and related services which do not exceed one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Area Median Income derived from data provided for the Santa Barbara/Santa Maria/Lompoc Primary Metropolitan Statistical Area as determined by HUD annually with adjustments for household size.

1.16 **"UNIT"** means a housing unit in the Development.

1.17 **"TERM"** means the term of this Agreement described herein.

1.18 **"VERY LOW-INCOME HOUSEHOLD"** means a household whose annual income does not exceed fifty percent (50%) of the Area Median Income for the Santa Barbara/Santa Maria/Lompoc Primary Metropolitan Statistical Area as determined by HUD annually with adjustments for household size.

2. THE OWNER'S OBLIGATIONS

2.1 **COMPLIANCE WITH LOAN DOCUMENTS.** The Owner's actions with respect to the Property and the use of funds from the Loan shall at all times be in full conformity with all of the requirements of the Loan Documents, including but not limited to the insurance requirements contained therein.

2.2 **TERM OF AGREEMENT.** This Agreement shall commence upon execution and shall remain in full force and effect until twenty (20) years following the date the project is closed out in the federal Integrated Disbursement and Information System ("Affordability Period"). Lender shall notify Owner in writing at the start of the Affordability Period. The requirements of this Agreement shall apply throughout the Term without regard to the term of any loan or mortgage or the transfer of ownership.

2.3 **COMPLIANCE WITH PROGRAM REQUIREMENTS.** The Owner shall comply with all applicable requirements imposed on projects assisted under the HOME program in effect on the date the HOME Loan is funded.

3. DEVELOPMENT OCCUPANCY AND RENTS

3.1 **OCCUPANCY OF DEVELOPMENT.** Eleven (11) Units in the Project shall be designated as Assisted Units. At the discretion of the Owner, one or more of the Assisted Units may also be funded through the funds from the City of Goleta Redevelopment Agency (“Goleta RDA”). The Assisted Units must be occupied, or reserved for occupancy by, Qualifying Households.

3.2 **ASSISTED UNITS.** The Owner shall limit for the full term of this Agreement the rental of Assisted Units to Very Low-Income Households at rents that do not exceed the maximum rental charges for each Assisted Unit as set forth in this Agreement. The size of the Assisted Units shall be as follows:

<u>No. of Units</u>	<u>Bedrooms</u>
2	1 bedroom
8	2 bedrooms
1	3 bedrooms

The eleven Assisted Units shall meet the following standards:

- A. Be similarly constructed and of comparable quality to all other units in the Development and;
- B. Provide tenants access and enjoyment of all common areas and facilities of the Development on the same basis as tenants of other units.

3.3 MAXIMUM RENTAL CHARGES.

A. For a Very Low-Income household occupying an Assisted Unit, the total charges for monthly rent, utilities, and related services shall not exceed one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Area Median Income as determined by HUD annually with adjustments for household size and allowances for utilities and services. Allowances for utilities and services shall be updated periodically in accordance with the Utility Allowance Schedule published annually by the Housing Authority of the County of Santa Barbara for the Goleta Housing Market Area.

B. Maximum rents for each Assisted Unit shall be set by the Lender at the time of initial occupancy of the Development. Annual rent increases shall be calculated based on the change in Area Median Income published annually by HUD, and shall be submitted by Owner to

Lender for approval prior to tenant notification of said change in rent. Households occupying Assisted Units shall be given at least sixty (60) days written notice prior to any rent increase.

3.4 INCOME CERTIFICATION. The income levels and other qualifications of applicants for Assisted Units shall be certified by Owner within sixty (60) business days of the household's expected occupancy of an Assisted Unit and recertified annually thereafter by the Owner.

A. Initial Income Verification. Before the household occupies an Assisted Unit, tenant eligibility must be determined and documented with source documents, such as wage statements, interest statements and unemployment compensation statements.

B. Annual Income Recertification. At the time of lease renewal or pursuant to an annual schedule adopted by the Owner, and no later than the anniversary of the original income evaluation and annually thereafter, Owner shall recertify the household income of each household occupying an Assisted Unit in compliance with one of the methods described in 24 CFR § 92.203. In addition, Owner shall collect full source documentation of households, as described in Section 3.4 A of this Agreement, every sixth year during the Term of this Agreement.

3.5 INCREASES IN TENANT INCOMES.

In the event that recertification of a household occupying an Assisted Unit indicates that the household's income exceeds the maximum designated income for a Very Low-Income Household, the Owner may increase rents on such Unit as permitted by HUD to no more than 30% of 1/12 of the household's income, and the household may be permitted to continue to occupy the Unit. In such event, Owner shall rent the next available Unit with a similar bedroom count to a Qualified Household at no more than the rent set forth in Section 3. Upon such rental, the Unit occupied by the non-qualified household shall no longer be classified as an Assisted Unit and the newly rented unit to a Qualified Household shall be deemed an Assisted Unit.

4. LEASING THE DEVELOPMENT.

4.1 TENANT LEASES. The Owner shall execute a written lease with tenants of HOME-assisted units for a term of at least one year, unless the Owner and the tenant mutually agree to a shorter period. A lease may not be for a period less than thirty (30) days. The tenant lease and any changes thereof must be approved by Lender.

A. The Owner shall include in leases for all Assisted Units provisions which provide that the household is subject to annual certification of income and that the tenancy of the household shall be immediately terminated should one or more of the household's members misrepresent any material fact regarding the household's qualification as a Very Low-Income Household. The Owner shall include in all leases for Assisted Units provisions which prohibit the household from subleasing the Assisted Unit.

B. In addition to executing a lease for an Assisted Unit, the Owner shall require that each household leasing an Assisted Unit execute a declaration of intent to occupy which shall require the household to occupy the Assisted Unit as the household's primary residence.

C. The lease for each Assisted Unit shall not contain any the prohibited provisions identified at 24 CFR §92.253(b) including the following.

1. *Agreement to be sued.* Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
2. *Treatment of property.* Agreement by the tenant that the owner may take, hold or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
3. *Excusing owner from responsibility.* Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
4. *Waiver of notice.* Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
5. *Waiver of legal proceedings.* Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
6. *Waiver of a jury trial.* Agreement by the tenant to waive any right to a trial by jury;
7. *Waiver of right to appeal court decision.* Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
8. *Tenant chargeable with cost of legal actions regardless of outcome.* Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

D. Owner shall not terminate the tenancy or refuse to renew the lease of a tenant of an Assisted Unit except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew the tenancy, the owner shall serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days prior to termination of tenancy.

4.2 **TENANT SELECTION.** At the time of execution of this Agreement, the Owner has provided Lender and Lender has approved a written tenant selection plan demonstrating the marketing efforts and outreach performed for this development.

4.3 **SECTION 8 CERTIFICATE HOLDERS.** The Owner will accept as tenants of Assisted Units, on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. The Owner shall not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective tenants, nor shall the Owner apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective tenants.

4.4 **CONDOMINIUM CONVERSION.** The Owner shall not convert Units to condominium or cooperative ownership or sell condominium or cooperative conversion rights in the Property during the term of this Agreement.

4.5 **NONDISCRIMINATION.** The Owner shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of Units on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis. The Owner shall include a statement in all advertisements, notices and signs for the availability of Units for rent to the effect that the Owner is an Equal Housing Opportunity Provider. The Owner shall also comply with the County of Santa Barbara Anti-discrimination Ordinance codified as Santa Barbara County Code Chapter 2, Article XIII.

4.6 **MARKETING PLAN.** Owner has submitted to the Lender for approval its plan for marketing the rental units, including information on affirmative marketing efforts and compliance with fair housing laws and the Lender's affirmative fair marketing guidelines. Lender has reviewed and approved the Marketing Plan submitted by the Owner.

5. PROPERTY MANAGEMENT

5.1 **MANAGEMENT RESPONSIBILITIES.** The Owner is responsible for all management functions with respect to the Development, including without limitation the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The Lender shall have no responsibility over management of the Development. The Owner has submitted to the Lender, and the Lender approved, its proposed property manager. The Owner may only remove and/or replace the property manager with the prior written consent of the Lender which consent shall not be unreasonably withheld.

5.2 **APPROVAL OF MANAGEMENT POLICIES.** The Owner has submitted and Lender has approved Owner's written management policies with respect to the Development. Any amendment to the written management plan must be approved in advance in writing by County with approval shall not be unreasonably delayed or withheld.

5.3 **INSPECTION AND RECORDS.** The Owner shall maintain records which clearly document the Owner's performance of its obligations to operate the Property under the terms of this Agreement. The Owner shall submit any records to the Lender within ten (10) business days of the Lender's request. The Owner shall permit the Lender to enter and inspect the Development for compliance with obligations under this Agreement upon twenty-four (24) hours advance notice of such visit by the Lender to the Owner or the Owner's management agent and to tenants of any Units.

5.4 **COMPLIANCE MONITORING.** The Owner shall operate the property in full compliance with this Agreement and the HOME Program Regulations at 24 CFR Part 92 in effect on the date the HOME Loan is funded, and shall remain in compliance therewith throughout the term of this Agreement. The Owner shall permit the Lender to conduct annual compliance monitoring, including performing on-site records review and property inspections, as required by regulation or reasonably requested by County.

5.5 **ANNUAL REPORT.** The Owner shall submit to the Lender a report for the preceding period of January 1st through December 31st, containing the necessary information to allow the Lender to determine the Owner's compliance with this Agreement. The report shall be submitted annually no later than March 1st, and shall include, at a minimum, (i) a statement of the fiscal condition, (ii) occupancy of the project, (iii) a statement of the physical condition, and (iv) general management performance.

Within thirty (30) days after receipt of a written request, Owner shall submit any other information or completed forms requested by the Lender in order to comply with reporting requirements of the United States Department of Housing and Urban Development, or the State of California, or the Lender.

5.6 **FEES, TAXES, AND OTHER LEVIES.** The Owner shall be responsible for payment of all fees, assessments, taxes, charges and levies imposed by any public authority or utility company with respect to the Property, and shall pay such charges prior to delinquency.

6. GENERAL PROVISIONS

6.1 **SUBORDINATION.** This Agreement shall be subordinated in priority only as provided in the Loan Agreement or to liens and encumbrances otherwise approved in writing by the Lender in its sole and absolute discretion.

6.2 **DEFAULT AND REMEDIES** In the event of any breach of any agreement or obligation under this Agreement by the Owner, the Lender shall provide written notice to the Owner of such breach. The Owner shall have an opportunity to cure such breach within thirty

(30) days from the Owner's receipt of such written notice or such longer period of time as the Lender determines is necessary to cure the breach if the Owner diligently undertakes to cure such breach. If the Owner fails to perform a timely cure of the specified breach, the Lender may proceed with any or all of the following remedies upon the Owner's failure to cure:

A. Bring an action in equitable relief seeking the specific performance by the Owner of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

B. Enter upon, take possession of, and manage the Property and the Development, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property;

C. After notice provided for herein, make such repairs or replacements to the Property and Development as are necessary and provide for payment thereof; or

D. Pursue any other remedy provided under the Loan Agreement or allowed at law or in equity.

6.3 NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS. No officers, directors, employees and agents of the Lender shall be personally liable to the Owner for any obligation created under the terms of this Agreement.

6.4 INDEMNITY. The Owner is subject to all of the provisions contained in Exhibit B attached hereto and incorporated by this reference and shall maintain the insurance required therein for the term of this Agreement.

6.5 GOVERNING LAW. This Agreement shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

6.6 AGREEMENT CONTROLS. In the event that any provisions of this Agreement and any Loan Document conflicts such conflict is to be resolved by applying the more restrictive covenants or restrictions which affect the Property.

6.7 ATTORNEYS' FEES AND COSTS. In the event that any legal or administrative action is commenced to interpret or to enforce the terms of this Agreement, the prevailing party in any such action shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

6.8 TIME. Time is of the essence in this Agreement.

6.9 CONSENTS AND APPROVALS. Any consent or approval of the Lender required under this Agreement shall not be unreasonably withheld. Any approval must be in writing and executed by an authorized representative of the Lender.

6.10 **NOTICES, DEMANDS AND COMMUNICATIONS.** Formal notices, demands and communications between the Owner and the Lender shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of the Owner and the Lender as follows:

LENDER: County of Santa Barbara
Housing and Community
Development Department
Attn: Grants Administration Manager
123 E Anapamu Street, Room 27
Santa Barbara, CA 93101

With a copy to: City of Goleta
Planning and Environmental
Services Department
Attn: Director
130 Cremona Drive, Suite B
Goleta , CA 93117

BORROWER: Sumida Gardens L.P.
c/o The Towbes Group, Inc.
Attn: Michael Towbes
21 East Victoria Street, #200
Santa Barbara, CA 93101

With a copy to: Peter N. Brown, Esq.
Hatch and Parent
21 East Carrillo Street
Santa Barbara, Ca. 93101

6.11 **BINDING UPON SUCCESSORS.** This Agreement shall be recorded and all provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferee, and assigns of the Owner, and the Lender, and shall run with the land for the full term of this Agreement, regardless of any assignment, payment, prepayment, expiration, extinguishment of the Loan or Note, any reconveyance of the Deed of Trust, or any conveyance or transfer of the Property or portion thereof.

6.12 **RELATIONSHIP OF PARTIES.** The relationship of the Owner and the Lender during the term of this Agreement is solely that of lender and borrower shall not be construed as a joint venture, equity venture, or partnership.

6.13 **WAIVER.** Any waiver by the Lender of any obligation in this Agreement must be in writing. No waiver will be implied from any delay or failure by the Lender to take action on any breach or default of the Owner or to pursue any remedy allowed under this Agreement,

the Loan Documents, or applicable law. Any extension of time granted to the Owner to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the Lender to any act or omission by the Owner shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the Lender's written consent to future waivers.

6.14 **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Agreement must be in writing, and shall be made only if executed by both the Owner and the Lender.

6.15 **SEVERABILITY.** Every provision of this Agreement is intended to be severable. If any provision of this Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

IN WITNESS WHEREOF, County and Sumida Gardens L.P. have caused this Agreement to be executed by their respective duly authorized officer:

SUMIDA GARDENS L.P.
a California limited partnership

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

By: Michael Towbes Construction
& Development, Inc.
Its: General Partner

By: _____
Joseph Centeno
Chairman of the Board of Supervisors

By: _____
Michael Towbes
President

AND

By: _____
Craig Zimmerman
Vice President

APPROVED AS TO FORM:

APPROVED AS TO FORM:

DENNIS MARSHALL
COUNTY COUNSEL

RISK MANAGEMENT

By: _____
Mary McMaster
Deputy County Counsel

By: _____
Ray Aromatorio
Risk Program Administrator

APPROVED AS TO FORM:

BOB GEIS
AUDITOR CONTROLLER

By: _____
Mark Paul
Division Chief

State of California
County of Santa Barbara

On _____ 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)

EXHIBIT A

Legal Description of the Property

LEGAL DESCRIPTION:

ALL THAT CERTAIN LAND SITUATED IN THE CITY OF GOLETA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF RANCHO LA GOLETA, IN THE CITY OF GOLETA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE NORTHERLY LINE OF HOLLISTER AVENUE, DISTANT WESTERLY THEREON NORTH 86°45'06" WEST, 1026.55 FEET FROM CORNER NO.47, AS SHOWN ON THE PARTITION MAP OF THE SUBDIVISION OF THE LANDS OF DANIEL A. HILL, DECEASED (FILED IN THE OFFICE OF THE CLERK OF THE SUPERIOR COURT OF SAID COUNTY IN SAID MATTER); THENCE CONTINUING WESTERLY THEREON, NORTH 86°45'06" WEST DISTANCE OF 446.87 FEET TO THE WESTERLY LINE OF TRACT NO.1 OF TRACT A AS SHOWN ON MAP FILED IN BOOK 11, PAGE 172 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTHERLY ALONG SAID WESTERLY LINE, NORTH 5°27'54" EAST AS DISTANCE OF 467.51 FEET TO A POINT IN THE LINE BETWEEN CORNER NOS. 48 AND 62 OF SAID PARTITION MAP AS SHOWN ON MAP FILED IN BOOK 16, PAGE 16 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE TRUE POINT OF BEGINNING FOR HIS DESCRIPTION;

THENCE 1ST, CONTINUING NORTHERLY ALONG SAID WESTERLY LINE NORTH 5°27'54" EAST A DISTANCE OF 561.52 FEET TO NORTHERLY LINE OF THE LAND OF THE LAND DESCRIBED IN DEED TO JOSEPH SEXTON RECORDED MAY 22, 1868 IN BOOK G, PAGE 126 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID NORTHERLY LINE ALSO BEING THE NORTHERLY LINE OF SAID TRACT NO. 1;

THENCE 2ND, EASTERLY ALONG SAID NORTHERLY LINE SOUTH 85°32'30" EAST A DISTANCE OF 446.60 FEET TO THE NORTHEASTERLY CORNER OF SAID LAND DESCRIBED IN DEED TO JOSEPH SEXTON, SAID CORNER ALSO BEING THE NORTHERLY CORNER OF SAID TRACT NO. 1, SAID CORNER ALSO BEING A POINT IN THE SOUTHERLY LINE OF PARTITION OF MAP OF THE LANDS OF J.D. PATTERSON, AS SHOWN ON MAP FILED IN BOOK B, PAGE 500 OF MISCELLANEOUS RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THENCE 3RD, EASTERLY ALONG SAID SOUTHERLY LINE SOUTH 85°32'30" EAST A DISTANCE OF 365.68 FEET TO A POINT IN SAID LINE DISTANT THEREON NORTH 85°32" WEST, 657.37 FEET FROM THE SOUTHEASTERLY CORNER OF SAID LANDS OF J.D. PATTERSON;

THENCE 4TH, SOUTHERLY ALONG A LINE PARALLEL WITH SAID WESTERLY LINE TRACT NO. 1, SOUTH 5°27'54" WEST A DISTANCE OF 538.73 FEET TO A POINT IN SAID LINE BETWEEN CORNER NOS. 48 AND 62;

THENCE 5TH, WESTERLY ALONG SAID LINE NORTH 87°08'53" WEST A DISTANCE OF 813.00 FEET TO THE POINT OF BEGINNING.

SAID LAND IS ALSO SHOWN AS PARCEL 2 OF LOT LINE ADJUSTMENT NO. 00-LA-002 RECORDED JULY 8, 2002 AS INSTRUMENT NO. 02-0065586 OF OFFICIAL RECORDS.