

Council Agenda Report

From:	Darren Nash, Associate Planner
Subject:	Continued Item from 12/20/16 Agenda Parking Agreement Amendment - Hacienda del Norte (529 10 th St. / Triton Community Development, LLC)

Date: January 17, 2017

Facts

- 1. Hacienda Del Norte (HDN) is an existing 44-unit low-income senior housing facility located at 529 10th Street. (Vicinity Map, Attachment 1.)
- 2. The HDN facility was originally built in the late 1970s and is still operating as a low-income senior facility.
- 3. Bill Rice, on behalf or Triton Community Development, LLC, has notified the City that Triton is under contract to acquire the project. Mr. Rice indicates that while a majority of the residents of HDN will remain seniors, units will also be available for permanently disabled residents. See Bill Rice Memo, Attachment 2.
- 4. As part of the original approval of the project, consistent with the Planning Commission's recommendation, the City Council approved a parking variance allowing a reduction of the number of on-site parking spaces from 44 spaces to 23 spaces. The variance was approved based on the HDN project being specifically for "elderly" people, since most of them do not have a car.
- 5. In 1975 the City Council approved a Parking Agreement that memorialized the Parking Variance, and established criteria for the variance that allows for the on-going reduced parking for HDN, as long as the project remains a housing project for the elderly. See 1975 Parking Agreement, Attachment 3.
- 6. Since the original agreement allowing the parking reduction is specific to elderly persons, Mr. Rice is requesting that the City Council amend the Agreement to reflect that in addition to elderly residents, that the parking reduction be extend to include non-elderly disabled persons. See Bill Rice Memo, Attachment 2.
- 7. Staff and the City Attorney have worked together with Bill Rice to provide an amended Parking Agreement, See Exhibit A to Resolution, Attachment 6.
- 8. On December 20, 2016 the City Council considered this item and on a 3-2 vote requested that the item be continued so that the applicant could provide additional information related to how visitor parking would be handled.
- 9. On January 5, 2017, Duane Henry on behalf of Life Steps, the operator of the facility, provided a letter addressing the questions raised by members of the Council on December 20th. See Duane Henry Letter, Attachment 5.

Options

- 1. Take no action.
- 2. Approve the amended Parking Agreement for the Hacienda del Norte project, allowing the parking reduction to continue, based on the residents being elderly or permanently disabled.
- 3. Refer back to staff for additional analysis, as specified by the City Council.

Analysis and Conclusions

HDN has been in operation for over 40 years with a reduced number of parking spaces without creating neighborhood impacts. The parking reduction helps this facility maintain the existing parking situation and expand housing opportunities for the elderly and physically disabled people. The parking demand for physically disabled people is expected to be similar to elderly persons and therefore consistent with the intent of the original parking variance.

Mr. Henry's 1/5/17 letter was submitted in response to the City Council's questions at the 12/20/16 meeting and makes the following points:

- Hacienda del Norte is identify in the City's Housing Element as an "at risk" affordable housing project. The Housing Element states the City will "assist non-profit housing corporations purchase and rehabilitation of the complexes..."
- Agrees to amend the Agreement to allow for the minimum number of parking spaces to be increased from 23 to 34 (10 additional spaces), which is the current number of existing on-site parking spaces.
- Emphasizes the current language in the Agreement requires that "if the occupants of the building use more than 23 vehicles total, the owner of the premises must furnish additional on-site parking spaces for each and all of such additional vehicles". If the reduced parking number were increased from 23 to 34, then this language would be amended to indicate that additional spaces beyond the existing 34 would have to be provided to meet the demand for tenant parking spaces.
- <u>Existing</u> disabled tenants would be required to vacate the premises if the agreement is not amended.

The request for reduced on-site parking spaces in relation to an affordable housing projects is a common request. In fact, the City's Density Bonus Ordinance includes a reduction in parking spaces as an incentive for the development of affordable housing projects. While HDN was approved prior to the density bonus ordinance, if the project were to come forward today, the Ordinance would require the City to offer the 44-unit project up to three incentives, including a reduction in on-site parking spaces.

In addition to on-site parking spaces, the following parking spaces are available within the adjacent streets/alley:

- Recent restriping of diagonal parking spaces on 10th Street.
- Existing parallel parking spaces within the 30-foot wide alley;

HDN meets many of the City's affordable housing goals and asking for a reduction of 10 parking spaces for a 100-percent affordable project would seem to be a reasonable concession.

Fiscal Impact

None.

Recommendation

Approve draft Resolution A amending the Parking Agreement for the Hacienda del Norte project, allowing the parking reduction to continue, based on the residents being elderly or permanently disabled.

Attachments

- 1. Vicinity Map
- 2. Bill Rice Memo
- 3. 1975 Parking Agreement
- 4. Parking Lot Plan
- 5. 1/5/17 Doug Henry Letter to City Council
- Draft Resolution A –Parking Agreement Amendment



Attachment 2

Darren Nash

From:	William Rice brice@tritoncommunity.com>		
Sent:	Tuesday, September 27, 2016 2:27 PM		
To:	Darren Nash		
Cc:	Don Herrman CPA		
Subject:	Hacienda del Norte - 44 unit Affordable Housing Transaction (existing)		
Attachments:	3CA-San Luis Obispo-Document - Book_Page-1857_606.pdf; AG Grading_Parking_plan.PDF		

Darren,

Thanks for your time on the phone earlier today. Here is some background, the property was given a parking variance in September 1975 (attached below) that requires 23 parkings spaces for the 44 units. The property currently (and was originally built) to have 20 Studio Apartments and 24 1 Bedroom Apartments (including one manager unit) for a total of 44 units. As you are aware this property is under contract by Triton to acquire from the existing owner, to substantially improve and preserve the "At-Risk" affordable housing for the benefit of the residents and City. We were awared by the California Tax Credit Allocation Committee a competitive reservation on September 21, 2016 of federal Low Income Housing Tax Credits. We are obligated to close on the transaction with the existing Seller by December 21, 2016 and are working with the local HUD office to assign the existing 44 unit HAP Contract subsidy. Additionally we have preliminary approval from the California Housing Finance Agency (CAL-HFA) for construction and permanent financing under a state and federal HUD Risk-Share program. We are finalizing the scope and plans to submit to the City that will include approximately \$47,000 per unit in upgrades to the development including, ADA, energy, interior and exterior improvements. (Attached also find the original plan that show the approved parking)

While the property still has a majority senior resident base, the current management has leased spaces to permanently disabled residents, including many in motorized wheel chairs, with some assisted with local social workers. We believe through due diligence inspections and requests from management, that there are currently 17 residents legally residing under HUD fair housing guidelines (they are in compliance with the HUD HAP contract subsidy as far as we have been able to determine) which are disabled but do not meet an "elderly" definition. We believe that post renovation, the transaction will have 32 parking spaces total which will include 5 handicap and 1 specialty designated "handicap van" space.

In the original Agreement - Covenant regarding the property dated September 30, 1975, it was agreed that "... so long as the property is used to house elderly persons under such Act [Section 221(d)(3)], only 23 parking spaces, instead of 44 parking spaces, shall be required, as requested under a Variance approved by the City Planning Commission..." It is the request of the purchasers of the Hacienda del Norte Apartments that the Covenant be amended to reflect that in addition to elderly residents the allowable uses include non-elderly disabled individuals. Given the property is currently under parked we don't believe their is an existing parking issue with the site given the very low income nature of the property, its resident base of seniors and physically disabled.

Kind regards,

1

Bill Rice Triton Community Development LLC Triton Development Services LLC 1855 W Katella Avenue, Suite 265 Orange, CA 92867 818-371-4789

10/1/2016 - PLEASE NOTE OUR ADDRESS HAS CHANGED

RECORDING REQUESTED BY

70.00

Agenda Item No.

City of Pase Robles AND WHEN PECORDED RELUEN TO: City Attorney P. D. Box 306 Pase Robles, CA. 93446

DOLEMENTARY TRANSFER TAX Nape

Donald B. Keepen, City Clerk

DYN, NO. 33489 OFFICIAL RECORDS SAN AUT O HERO CO. OAD

Attachment

APS MADRIE

Ball of the Real

Alfred Res

Gatter.

Tentine To

125-12

CALL AND

VOINT IST

NR. C.

Santenne ...

T.

a the there and

Paniscone.

- Catal

Strate inter

Sec. 30.14

England

TATA DATA DA

-

LA STOR

15007 U.S.

WALLIAM E. ZIMARIK' COULTY PECONDA THE AMSTRA

RE: PARKING - LOTS 46, 47 AND PORTION OF LOT A AND C OF SPRINGS HOTEL TRACT

This Agreement, dated this 50th day of September, 1975 between Nelson McMann, Developer and his successors, assigns and grantees. hereinafter known as "developer" and the City-of El Physide Robles, hereinafter known as "City", concern parking requirements for the development of a Senior-Citizen project (HUD Project Ne. 122-35314 -Hacienda Del Norte) on Lots 46, 47 and portion of Lot A and Lot G of Springs Hotel Tract. This Agreement applies to all subsequent experts, successors and grantees and runs with the above described property.

It is hereby agreed by the Developer and Owner of the HUD Project No. 122-35314 that this Project is set forth under Section 221 (d) 3 of the Houring Act, and that except as morein provided so long as the development is used to house elderly persons under said Act, only 23 parking spaces, instead of 14 parking spaces, shall be required, no requested under a Verience approved by "no dity rinning Commission and the City Council on June 24, 1974. If the occupants of the building use more than 23 vehicles total, then the owner of the presises must furnish additional onsite parking spaces for each and all of such additional vehicles. Both parties agree and understand that the ensite parking spaces must at all times squal or excood the number of cars used by the occupants of ther wilding and owner agrees to insert and enforce appropriate provisions in lease agreements with each of the occupants of the building. Owner, and his successors agree to indomnity City from any and all costs, including attorneys fees, incurred in connection with the enforcement of the provisions of this "greement.

Should the aso of the property be changed, or should the Department of Housing and Urban Development withdraw its support or subsidy, or if the buildings and property revert to any use other than originally intended, that being for the housing of elderly persons, then before any other use may to made of the property, the owner or occupant shall provide not less than 44 total parking spaces and as many additional off street parking spaces as required by the then existing loning Ordinance for such use. It is further agreed and understood that failure to enforce this Agreement shall not any of the terms of this Agreement or prohibit the enforcement of this Agreement.

Page 280

19:1357 na 606

CC Agenda 1-17-17

It is further agreed that this document shall be recorded by the Developer with the County of San Luis Obispo Recorder and a copy furnished to City who shall file same with the approved Variance and the Planning Commission shall review the matter annually on or before June 36th of each year.

Signed OWNER DEVELOPER

SALCHER STORE STO

Attachment

÷8X a sector 20.00

ALC: LAS

1.1

2000

titue? Restau

No. the first 111 No.

100

\$\$\$595g

Present.

A.T. The

1.10111

33429

treford nic

... known to me,

subscribed to the within

DATED: September 30, 1975

240

12121 27,044 10

100

11

100 --

> 1.27 14) j

1.70

Agenda Item No. 13

all solution

CITY OF EL PASO DE ROBLES

CI

APPROVED AS TO FORM:

STATE OF _

Attorney Mignael LeSage ..

CALIFCRHIA TELSIT HARRIS & HUNCOR, IS County of SAN LUIS OBISPO Hotary Public - Californie San Lois Chisne County My Commission Depices (164 4, 1939 2 ON_ Saptember 30 the underrighted, a Notary Public in and for sold State, personally appeared UPLSON NG_MANN, GURLE - Daveluper and HAPNEY SCHWARTZ, Mayon

to be the persons_ whose numes___ instrument, and acknowledged to me that their executed the some, Werness my hand and official scal.

1940 A.C. 1940 sold State.

AMP

Olivial Sect

Wascarts Form 151-ftsv. 2.03

Page 281

ve 1857 Ma 607 CC Agenda 1

品的影响品

63 Si de

EXCERPT FROM MINUTES OF THE ADJOURNED STOR PASO ROBLES CITY COURCE SEPTEMBER 30, 1975

招自能引起目录和自然并不是目的

Attachment

Louis and the second

Z Taint

A CHERT

Sec.

a Constantina an Anno an Anno an Anno

Marine National Ann

Bernandan Linterral

Sector

334

38

CC Agenda 1-17-17

\$57 ma 608

。22月4月4月6日代生产目的自由自己主要性况后

1.15

1111

1.51.52

-

-

The City Council of the City of HI Paso de Robles, meeting in ndjourned session on the above date, was called to order by Mayor Schwartz at 7:30 p.m. in the City Counci? Chambers with the following Councilmen answering roll: Darnhart, Minshull and Schwartz: Councilmen Hanson and Councilwoman Stockdale being absent.

26. The City Manager presents an agreement between the City and Mr. Melson McMann, Developer, which places convenant on the parking on the Maclonda Mel Norte Project, a project which has been in the planning stage for anny months. The City Manager reviews the previous actions of the Planning Commission in their meeting of June 10, 1974, and the actions of the City Council on June 24, 1974, at which time a variance was approved to reduce the parking requirements and the agreement was approved.

The agreement has been signed by Mr. McMann and the City Manager, having reviewed and updated the Council concerning the matter, requests that the Council authorize the Mayor to execute the agreement and authorize the City Clerk to record same.

Motion by Councilman Barnhart, seconded by Councilman Minshall, that the Mayor be authorized to execute the document titled: ACREEMENT - COVENANT, RE: PARKING - LOI do, 47, AND PORTION OF LOT A AND G OF SPRINGS HOTEL TRACK, dated September 30, 1975. Further, that the City Clerk be authorized to record document. Motion passed unanimously.

* * * * * * * * * * *

There being no further business, it was moved by Councilman Minshull, seconded by Councilman Barnhart, that the meeting me adjourned.

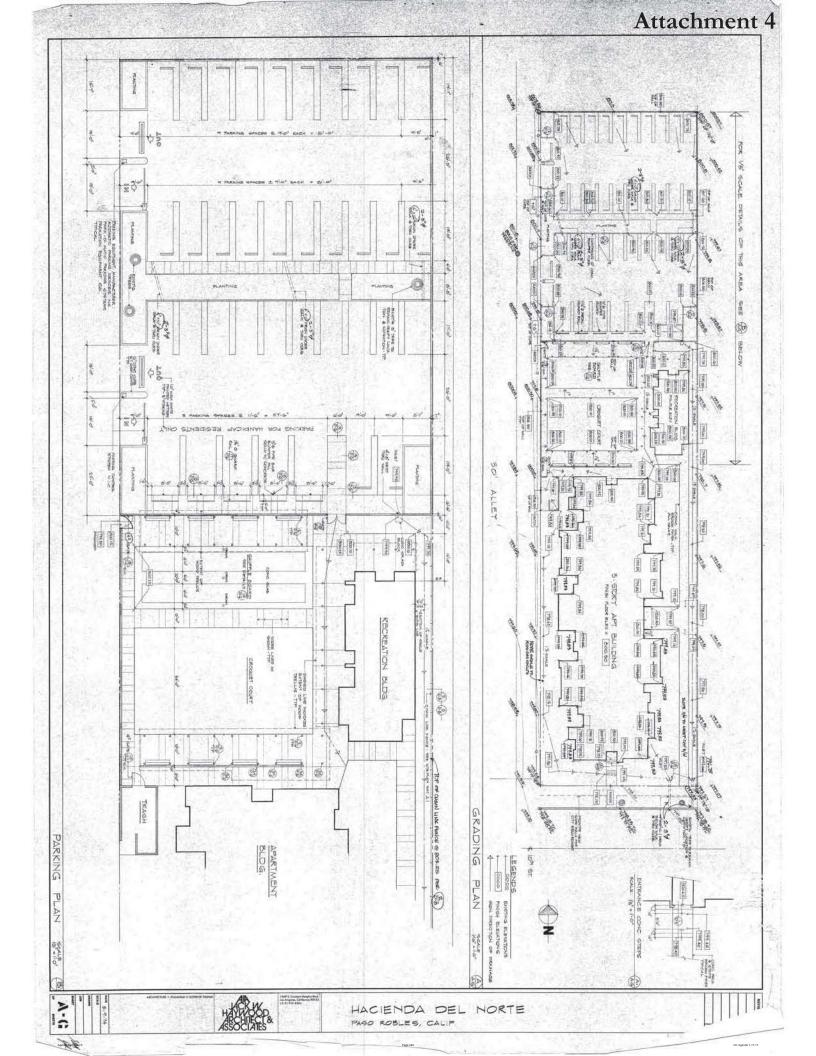
> Donald B. Keefer City Clerk

J certify that this is a true copy of a pertion of the minutes of the PASO ROBLES CITY COUNCIL of PASO ROBLES, CALIFORNIA, dated this 30th day of September, 1975.

Page 282

DBK

Agenda Item No. 13 NO UF DOCUMENT





638 Camino De Los Mares Suite H130-467 San Clemente, CA 92673 949-216-0210

January 5, 2016

City of Paso Robles 1000 Spring St. Paso Robles CA, 93446

RE; Hacienda del Norte Apartments 529 10th Street, Paso Robles, California 93446

Dear Honorable City Council Members,

I am writing to address the parking variance at the Hacienda del Norte Apartments (HDN). I greatly appreciate the council's time and consideration at last weeks city council meeting. After internal discussions with the development team, investors, and lenders, the additional requirements requested by the city are unnecessary and are problematic for our investors and lenders.

Rehabilitation of HDN is critical, as specifically noted in the Paso Robles Housing Element on page H-18, which designates it as at-risk. As a non-profit housing developer Step Forward Communities, in conjunction with Triton Community Development, is interested in preserving our nation's affordable housing inventory. We want to provide quality housing to low-income residents. HDN is a classic example of an at-risk property in great need to be redeveloped.

<u>Supporting Paso Robles housing goals</u> (per the October 2014 Housing Element of the General Plan)

- Goal H-2 Preserve the City's inventory of housing that is affordable to low income households.
 - Policy H-2.1 Protect subsidized housing designated for occupancy by low and very low-income households from premature conversion to market rate.
 - Policy H-2.2 Maintain an inventory of market rate housing that is affordable to low-income households.
- C. Conservation: (Pg. H-18)
 - ...four subsidized apartment complexes (Hacienda del Norte, Riverview Apartments, Creston Gardens Apartments, and Paso Robles Garden Apartments) with a total of 178 low-income units will become eligible for prepayment of the loans securing the affordability covenants for these projects... Because of the severe shortage of affordable housing, the City should oppose the prepayment and assist non-profit housing corporations purchase and rehabilitate the complexes as a back-up measure

If it would be beneficial, we would like to invite the council to meet us at the property to view the parking and discuss our concerns for the property, including the fear of losing its

affordable status, not completing a much needed rehabilitation, and potential eviction of non-elderly disabled adults.

Potential loss of affordable status

- HDN is a 44 Unit (20 studio and 24 one bedroom) affordable housing apartment building built in 1976.
- 100% Housing Assistance through HUD section 8 contracts.
- At risk of losing it's affordability status and can be sold as a market rate apartment in the next couple of years.

Needed rehabilitation

- At 40 years old HDN is in desperate need of significant rehabilitation to extend the life of the property and we are proposing \$47,000 per door in construction.
- Energy efficiencies for water and electrical, ADA compliance, new roof, updating kitchen cabinets and counter tops, updating bathrooms, termite repairs, adding picnic tables and BBQ pits and more.

Parking variance compliance

- HDN currently has 34 parking spaces. We will be able to add 3 parking spots by restriping the current lot. 5 spaces are currently used by a doctor's office next door.
- Only 25 units have vehicles.
- The original parking covenant with the city dated September 30, 1975, agreed that "... so long as the property is used to <u>house elderly persons</u> under such Act [Section 221(d)(3)], only 23 parking spaces, instead of 44 parking spaces, shall be required." We have requested that the Covenant be amended to reflect that in addition to elderly residents, the allowable uses include <u>non-elderly disabled</u> <u>individuals</u>. We do not feel this puts additional strain on the parking situation. In fact, it may ease the parking use as in many situations non-elderly disabled individuals are less likely to have a parking need than an elderly individual.
- Additionally, the currant parking covenant requires "if the occupants of the building use more than 23 vehicles total, the owner of the premises must furnish additional onsite parking spaces for each and all of such additional vehicles.
- HDN Currently has 17 non-elderly disabled adults. This means we will be out of compliance with the parking variance immediately after buying the property.
- The only way to become compliant with the city variance as currently written would be to evict the disabled non-elderly residents and replace them with elderly tenants.

Obviously, it is not our desire to move disabled individuals out of affordable housing, especially telling them that it is simply due to a city parking agreement. We also do not want to see this property lose its affordability or miss out on a multi-million dollar rehabilitation if this project does not happen. Step Forward Communities would like to amend the original variance to include non-elderly disable adults and to increase the number of required parking spaces from 23 to 34.



I understand the council has hesitations about the future parking at the property, but given historical car ownership rates for this population and the past parking trends at Hacienda del Norte, we consider this risk extremely low and manageable without incurring requirements unfavorable to our investors and lenders. Please consider visiting with us at the property to discuss these issues before the next city council meeting.

Thank you for your consideration,

eff.

Duane Henry Executive Director

Attachment 6 Draft Resolution A

RESOLUTION 16-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES APPROVING AN AMENDMENT TO THE PARKING AGREEMENT FOR HACIENDA DEL NORTE HOUSING PROJECT AT 529 10TH STREET (TRITON COMMUNITY DEVELOPMENT, LLC) APN: 009-093-050

WHEREAS, Hacienda Del Norte (HDN) is an existing 44-unit low-income senior housing facility located at 529 10th Street; and

WHEREAS, the HDN facility was originally built in the late 1970's and is still operating as a low-income senior facility; and

WHEREAS, Bill Rice, on behalf or Triton Community Development, LLC, has notified the City that Triton is under contract to acquire the project and that while a majority of the residents of HDN will remain seniors, units will also be available for permanently disabled residents; and

WHEREAS, as part of the original approval of the project, the Planning Commission along with the City Council approved a parking variance allowing a reduction of the number of on-site parking spaces from 44 spaces to 23 spaces, based on the HDN project being specifically for "elderly" people, since most of them do not have a car; and

WHEREAS, in 1975 the City Council approved a Parking Agreement that memorialized the Parking Variance, and established criteria for the variance that allows for the on-going reduced parking for HDN, as long as the project remains a housing project for the elderly; and

WHEREAS, since the original agreement allowing the parking reduction is specific to elderly persons, Mr. Rice is requesting that the City Council amend the Agreement to reflect that in addition to elderly residents, that the parking reduction be amended to include non-elderly disabled persons; and

WHEREAS, on December 20, 2016, the City Council took this item in consideration where it was continued to the January 17, 2017 City Council agenda, in order for the applicant to provide additional information related to resident parking demand and visitor parking; and

WHEREAS, the applicant provided additional parking information and in an effort to further insure that there is adequate parking on site, that the Agreement be changed to increase the number of parking spaces provided on site from 23 to 34; and

WHEREAS, Staff, Bill Rice, along with the City Attorney have worked together to provide an amended Parking Agreement; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of El Paso de Robles does hereby approve the revised parking agreement (Exhibit A), allowing for the parking reduction for Hacienda del Norte to continue based on the project housing both elderly and physically handicapped people, and based on the minimum number of parking spaces provided on site be 34.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 17th day of January 2017 by the following vote:

AYES: NOES: ABSTAIN: ABSENT:

Steven Martin, Mayor

ATTEST:

Kristy Buxkemper, Deputy City Clerk

Exhibit A: Amended Hacienda Del Norte Parking Agreement

When Recorded Mail To:

City of Paso Robles 1000 Spring Street Paso Robles, California 93446 Attn: Community Development Director

AMENDMENT TO AGREEMENT AND COVENANT RE: PARKING – LOTS 46, 47 AND PORTION OF LOT A AND G OF SPRINGS HOTEL TRACT

THIS AMENDMENT (this "Amendment") is made this _____ day of January, 2017, is entered into by and between SFC HDN LP, a California limited partnership ("Owner"), and CITY OF PASO ROBLES, a political subdivision of the State of California ("City").

RECITALS

A. Owner is the owner of that low-income housing development located at 529 10th Street in the City Paso Robles, San Luis Obispo County, California 93446, and as further described in Exhibit A attached hereto and made a part hereof ("**Property**").

B. The Property is restricted and benefitted by that certain Agreement and Covenant Re: Parking – Lots 46, 47 and Portion of Lot A and G of Springs Hotel Tract (the "**Covenant**"), dated as of September 30, 1975, and executed by Nelson McMann and the City, and recorded on October 9, 1975, (Book) 1857 (Page) 606 (Document No. 33489), in the Official Land Records of San Luis Obispo County, California.

C. This Amendment is being made by Owner and City to clarify the parking variance set forth in the Covenant (the "**Variance**") shall remain in effect so long as the Property is restricted for occupancy by low-income seniors, disabled persons or such other population required or permitted by the U.S. Department of Housing and Urban Development ("**HUD**") under (i) the Project Based Section 8 Housing Assistance Payments Basic Renewal Contract for Mark-Up-to-Market Project (Section 8 Project No. CA16M000349), entered into by and among the Owner (or its predecessor), Los Angeles LOMOD Corporation and HUD, or any renewal contract thereof (the "**HUD Subsidy Contract**"), or (ii) loan funded or insured by the Secretary of HUD under the National Housing Act (the "**HUD Loan**"), all as set forth herein.

D. The Owner and City further amend the Variance by requiring a minimum of 34 parking spaces available at the property.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and the City agree as follows:

1. Amendment of Covenant. The Covenant is hereby amended to confirm the

Variance shall remain in full force and effect and benefit the Property so long as the Property is restricted for occupancy to low-income seniors, disabled persons or such other restricted population in accordance with the HUD Subsidy Contract or the HUD Loan. A minimum of 34 parking spaces will be maintained at the Property. City and Owner acknowledge and agree this Amendment updates and reaffirms the Variance to better comply with the requirements of the HUD Subsidy Contract and HUD.

2. **Successors and Assigns; Scope of Amendment.** This Amendment shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of the respective parties hereto. Other than expressly modified by this Amendment, the Covenant shall remain in full force and effect.

3. **Governing Law.** This Amendment shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of California.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this instrument as of the date first written above.

OWNER:

SFC HDN LP, a California limited partnership

By: Step Forward Communities, a California nonprofit public benefit corporation, its Managing General Partner

eff

By: _

Duane Henry, Executive Director

CITY:

CITY OF PASO ROBLES

By:	 	
Name:	 	
Title:		

EXHIBIT A

PROPERTY DESCRIPTION

The land described herein is situated in the State of California, County of San Luis Obispo, City of Paso Robles, described as follows:

PARCEL 1:

Lots 46 and 47 of the Springs Hotel Tract in the City of Paso Robles, County of San Luis Obispo, State of California, according to map recorded May 10, 1921 in Book 2, Page 60 of Maps, in the office of the County Recorder of said County.

Excepting therefrom all the waters of any and all underground springs or currents of warm, Sulphur and mineral waters that are or may be within said land or any part thereof as reserved by George G. Herzberg in Deed recorded August 19, 1936 in Book 200, Page 47 of Official Records.

PARCEL 2:

The Westerly 100 feet of Lot "G" of Springs Hotel Tract, in the City of Paso Robles, County of San Luis Obispo, State of California, according to map recorded May 10, 1921 in Book 2, Page 60 of Maps, in the office of the County recorder of said County.

Excepting therefrom all the waters of any and all underground springs or currents of warm, Sulphur and mineral waters that are or may be within said land or any part thereof as reserved by George G. Herzberg in Deed recorded August 19, 1936 in Book 200, Page 47 of Official Records.

PARCEL 3:

The Southerly 280 feet of the Westerly 100 feet of Lot A of the Springs Hotel Tract, in the City of Paso Robles, County of San Luis Obispo, State of California, according to map recorded May 10, 1921 in Book 2, Page 60 of Maps, in the office of the County Recorder of said County.

Excepting therefrom all the waters of any and all underground springs or currents of warm, Sulphur and mineral waters that are or may be within said land or any part thereof as reserved by George G. Herzberg in Deed recorded August 19, 1936 in Book 200, Page 47 of Official Records.

APN: 009-093-050