



# **Yolo County Housing**

**Lisa A. Baker, Executive Director**

147 W. Main Street  
WOODLAND, CA 95695

Woodland: (530) 662-5428  
Sacramento: (916) 444-8982  
TTY: (800) 545-1833, ext. 626

## BOARD OF COMMISSIONERS

Duane Chamberlain  
Marlene Games  
Michael H. McGowan  
Jim Provenza  
Matt Rexroad  
Helen M. Thomson  
Bernita Toney

DATE: April 8, 2010

TO: YCH Board of Commissioners

FROM: Lisa A. Baker, Executive Director

SUBJECT: **Receive and File Correspondence from the U.S. Department of Housing and Urban Development (HUD) Authorizing the Capital Fund Financing Plan (CFFP)**

### **RECOMMENDED ACTIONS:**

That the Board of Commissioners:

1. Receive and file the Correspondence approving the Capital Fund Financing Plan

### **BACKGROUND/DISCUSSION:**

#### ***Background***

The Agency acquired the current Administration building using Capital Funds, which are set aside for improvements to, and operations of, public housing units. In 2006, the Agency determined that it had not complied with HUD Capital Fund requirements in that acquisition. Namely, it did not submit and receive approval from HUD for use of the funds. Subsequent to the initial acquisition, the Agency refinanced the building on two (2) occasions, again without HUD approval. Because federal funds were pledged and used in the financing, HUD should have approved the transaction and the property should have been placed under a declaration of trust in favor of HUD.

Because of this action, HUD withheld the majority of the Agency's Capital Fund grant for FY 2006-2007, pending a resolution of this matter. From April 23 through April 25, HUD conducted an onsite audit of the Agency. Subsequent to the monitoring performed by the Recovery and Protection Corps of HUD, staff at HUD has proposed the framework in which a workout of this issue may be considered.

On May 11, 2007, the Agency received formal correspondence from the Office of Public and Indian Housing at the U.S. Department of Housing and Urban Development (HUD) regarding the proposed workout of the financing of the Administration building. In that letter, HUD stated that, as part of its workout plan, the Authority could request retroactive approval of the loans that were made for acquisition and rehabilitation of the Administration Building, located at 147 W. Main Street, Woodland, CA 95695. In order to obtain this approval, YCH

was required to submit a Capital Fund Financing Program (CFFP) proposal to HUD that met the legal and programmatic requirements of the CFFP. HUD required the following:

- The plan include a retroactive approval of the \$2.24 million loan with First Northern Bank of Dixon (FNB) and \$480,000 loan with First Northern Bank of Dixon;
- The Agency complete a physical needs assessment for use in long term planning;
- Allow the Agency to dedicate a portion of future Capital Funds to debt service (no more than 33% of future funds) as long as it can show that future capital improvement needs will be met;
- Record a Declaration of Trust;
- Disallow \$121,919.59 of funds that were borrowed against the building for payables not associated with public housing capital fund. Because of this item, the Board, on September 11, 2007, disallowed coverage of the \$180,000 note with First Northern Bank of Dixon under the CFFP.

### ***Discussion***

Staff completed its review of the CFFP requirements and its review of the transactions surrounding the Administration building in September 2007. On September 11, 2007, the Board authorized by resolution the submittal of a CFFP application. The application was presented to HUD in September 2007. In February 2008, HUD required the Board to adopt a newer resolution, showing:

- Show that the Board of Commissioners is authorized to approve the borrowing;
- Show that the Agency will comply with the amended Annual Contributions Contract (ACC) which governs the YCH's public housing programs;
- Pledge the use of Capital Fund for debt service on the loan;
- Authorize the Executive Director or other representative to sign the loan documents.

The Board approved this Resolution on February 7, 2008. Subsequent to that Resolution, HUD Headquarters required that the YCH have a Development Plan approved by the local field office and have completed a Fairness and a Management study before submitting its final CFFP Plan. Staff completed these items in 2009, including placing the Admin Building under federal Declaration of Trust (thus creating AMP 4 for the Main Admin Building). The YCH has now received its approval.

### **FISCAL IMPACT:**

Approval of the CFFP has resolved the problem with HUD regarding sources and uses of funds for the acquisition and rehabilitation of the Administration building, provides an income stream for debt service on the property and will improve the Agency's position and day-to-

day cash flow. In addition, forgiveness of the unauthorized expenditure of Capital Funds has increased the Agency's overall net assets and improved the YCH's financial standing.

**CONCLUSION:**

Receive and file the correspondence

**Attachment:** Letter from HUD approving the Capital Fund Finance Plan



ASSISTANT SECRETARY FOR  
PUBLIC AND INDIAN HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

March 15, 2010

Ms. Lisa Baker  
Executive Director  
Housing Authority of the County of Yolo  
147 West Main Street  
Woodland, CA 95695

Dear Ms. Baker:

Thank you for your submission to the U.S. Department of Housing and Urban Development (“HUD”) and subsequent submissions, (collectively, “Submission”) requesting certain approvals in connection with a Capital Fund Financing Program (“CFFP”) Proposal. The CFFP Proposal entailed two loans (“Loan” or “Loans”) between First Northern Bank of Dixon (“Lender”) and the Housing Authority of the County of Yolo (“Authority”). The form of Loan Agreements (“Agreement”), and Promissory Notes (“Note”), were included with the Submission to HUD (“Loan Documents”).

In 2004, the former Executive Director of the Authority secured a series of loans in violation of Section 30 of the U.S. Housing Act of 1937 (the “Act”), and Section 7 of the Annual Contributions Contract (the “ACC”), and used those funds to purchase and rehab a building that would serve as the Authority’s administrative building. The building houses the Central Office Cost Center personnel, maintenance personnel, maintenance equipment and contains commercial space for possible rental income. The Office of Capital Improvements was informed of the above noted violations in 2006. We reviewed and analyzed documentation from the Authority concerning these matters, and HUD suggested in a letter dated May 11, 2007, we outlined the potential workout strategies that would result in the Authority submitting a CFFP proposal requesting HUD’s retroactive approval of the above noted loans.

The two Loans submitted to HUD for its review and approval were used to refinance two earlier loans which totaled \$2.9 million (the “Original Loans”). The Original Loans, one in the amount of \$1.8 million, and the other in the amount of \$1.1 million, had been used to renovate and expand the Authority’s administrative building. The Authority indicated that both of these loans were fully repaid when the Authority refinanced as noted below.

In December of 2005, the Authority undertook three loans which were used in part to refinance the Original Loans. Two of the three loans noted above were submitted to HUD as part of the CFFP Proposal that is the subject of this letter. The third loan, in the amount of \$180,000, was used in part for expenses that are ineligible pursuant to the Capital Fund. Since the majority of the loan was used for ineligible purposes, the Authority was advised by HUD not to include this loan in the CFFP proposal and to repay the loan with eligible non-Low Income Public Housing Funds (LIPH). The Authority is repaying the loan with non-LIPH funds from the Authority’s Central Office Cost Center. Therefore, the Authority may not use public housing funds to repay that loan, and it was not included in the CFFP Proposal, and is not the subject of

this approval. The below table provides summary level information for the two Loans that were included in the CFFP Proposal, and are the subject of this letter.

Lender	Original Principal Amount	Interest Rate	Proceeds used for:
First Northern Bank of Dixon	\$2,249,000	5.56% adjustable with 7% Cap	Refinance the \$1,800,000 loan and partial refinance of the \$1,100,000 loan
First Northern Bank of Dixon	\$480,000	Adjustable rate with no cap, rate set at Prime + 1%	Partial refinance of \$1,100,000 loan

In addition to the loans, the Authority used \$1,670,807 of capital funds for the acquisition and rehabilitation of the Administrative Building without prior approval from HUD. The Authority retroactively received approval of a development proposal from HUD via correspondence dated January 9, 2009. Given that the Authority received a development proposal approval, it is not required to repay any portion of the Capital Funds used to pay for the acquisition and rehabilitation of the administrative building provided that any portion of the building used by or benefiting uses other than the Low Income Public Housing program pay fair market rent.

Based upon our review of the information and materials included with the Submission, the undersigned, on behalf of HUD, provides the following approvals and determinations.

1. HUD hereby approves the Loan Documents in substantially the form submitted. Any substantive changes to the form of the Loan Documents that affect HUD's rights or obligations shall be submitted to HUD for review and approval by the Deputy Assistant Secretary for the Office of Public Housing Investments. Except as stated, no further approval of the Loan Documents by HUD shall be required. This approval does not constitute approval for any other agreements, notes or additional debt issued by the Authority. Additionally, HUD hereby approves the two Deeds of Trust associated with the Loans filed in the follow order of recordation: 1) the Deed of Trust for the \$2,249,000 Loan; 2) the HUD Declaration of Trust; and 3) the Deed of Trust for the \$480,000 Loan. HUD's approval is conditioned upon the two Deeds of Trust being modified as applicable with the attached modification forms which shall be recorded as appropriate.
2. Subject to the availability of appropriations, HUD hereby approves the use of Capital Fund grants (which is defined to include only Capital Fund formula funds under Section 9(d) of the United States Housing Act of 1937 ("Act") and any applicable successor program, and exclude Replacement Housing Factor grants) for payment of debt service as presented in the debt service schedule attached hereto.

3. HUD hereby determines that the Authority constitutes a “public housing agency” within the meaning of section 3(b)(6) of the Act and that the Loans constitute housing program obligations issued by a public housing agency in connection with low-income housing projects as described in section 11(b) of the Act. The provisions of 26 U.S.C. § 149(c)(2)(C)(iii) state that the interest on such obligations shall not be exempt from taxation under section 11(b) unless issued before June 19, 1984, and the provisions of 26 U.S.C. § 149(c)(1) state that any exemption of income on bonds from taxation, unless otherwise excepted, must derive from the Internal Revenue Code. HUD offers no opinion on the tax status of the Loans.
4. HUD hereby agrees that subsequent to the date of this letter, amounts paid to the Lender to make debt service payments under the Loan Documents as reflected on the debt service schedule are authorized and under current law are not subject to recapture, and that no regulatory waiver is necessary to disclaim effectively any right, title and interest of the United States in and to such amounts. Due to the Authority receiving approval of a development proposal, Capital Funds can be used to make any and all debt service payments after the date of this letter, provided that any portion of the building being utilized for other than the Low Income Housing program pay fair market rent. Nothing in this paragraph shall prevent HUD from recapturing funds from the Authority (as opposed to the Lender) in accordance with applicable law.
5. HUD hereby agrees that subsequent to the date of this letter, interest earned on amounts paid to the Lender to make debt service payments, as well as loan proceeds held by the Authority, may be applied to pay debt service on the Note or other Capital Fund eligible work items, and need not be returned to HUD. In addition, HUD hereby determines that no regulatory waiver is necessary to permit such use.
6. Nothing in this letter is intended to diminish HUD’s authority to administer, monitor, and regulate the public housing program, including HUD’s authority to exercise any administrative sanction provided by law; provided, however, that HUD hereby agrees that no subsequent change in the permissible use of Capital Fund Program moneys and no administrative sanction regarding the Authority will affect the eligibility of expenditures for debt service on the Note or reduce Capital Fund allocations to the Authority, except as required by law, below the levels needed to pay such debt service.
7. HUD hereby waives any additional notice or consent required under the Federal Assignment of Claims Act.
8. The Loan Documents are not obligations of or guaranteed by HUD or the United States of America. No action taken by these documents shall result in any liability to the Federal government. Appropriate statements to such effect shall be included in the Loan Documents. HUD’s review of the CFFP Proposal is limited to a review for compliance with CFFP programmatic requirements, and does not extend to the review of underwriting, including assumptions regarding the future receipt of Capital Fund

Program moneys, for which the Authority is solely responsible and which it pledges at its own risk.

Except as expressly provided herein, nothing in this approval letter is intended to modify or waive the Capital Fund Program requirements, which are all applicable to the use of the proceeds from the Loans.

This approval letter does not constitute approval for any other security interest or Loan Documents executed by the Authority.

Should you have any questions, please contact Tom Shelton at (202) 402-4799 or Kevin Gallagher, Office of Capital Improvements at (202) 402-4192.

Sincerely,

A handwritten signature in black ink, appearing to read "Dominique Blom", with a long horizontal flourish extending to the right.

Dominique Blom  
Deputy Assistant Secretary for  
Public Housing Investments

Enclosures: Exhibit A – Debt Service Schedules

cc: Stephen Schneller, Public Housing Field Office Director



U.S. Department of Housing and Urban Development  
Office of Capital Improvements

Capital Fund Financing Program (CFFP)  
Periodic Payment Debt Service Schedule -- Formula Funds Only

Housing Authority Name: Yolo County Housing Authority  
 Amount of Proceeds: \$480,000  
 Interest Rate (or range of rates if multiple serial or term bonds): 5.75% Thru 11/2008  
 4.00% Thru 1/2014  
 Interest Rate Fixed? Fixed  
 If Variable Rate, Interest Rate Cap: 9  
 Term (in years): 2008 1,000,964  
 FY and Amount of Most Recent Formula Grant: January 14, 2009  
 First Direct HUD Payment due:  
 D/S Schedule Date:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Financing Year	Payment Date	Principal	Interest (paid monthly on balance)	Total Debt Service Payment (Annual)	Ongoing Fees	Total Payment Amount	Adjusted Formula Grant
2010		-	5,867	5,867	-	5,867	1,000,964
2011	1/5/2011	50,000	4,567	54,567	-	54,567	1,000,964
2012	1/5/2012	50,000	2,567	52,567	-	52,567	1,000,964
2013	1/5/2013	50,000	567	50,567	-	50,567	1,000,964
2014	1/5/2014	10,000	33	10,033	-	10,033	1,000,964
<b>TOTALS</b>		\$ 160,000	\$ 13,568	\$ 163,568	\$ -	\$ 163,568	\$ 4,003,856





U.S. Department of Housing and Urban Development  
Office of Capital Improvements

Capital Fund Financing Program (CFFP)  
Periodic Payment Debt Service Schedule -- Formula Funds Only

Housing Authority Name: Yolo County Housing Authority  
 Amount of Proceeds: \$2,240,000  
 Interest Rate (or range of rates if multiple serial or term bonds): 5.56%  
 Interest Rate Fixed? 7.00%  
 If Variable Rate, Interest Rate Cap: 25  
 Term (in years): 2008 1,000,964  
 F.Y. and Amount of Most Recent Formula Grant: January 14, 2009  
 First Direct HUD Payment due:  
 D/S Schedule Date

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Financing Year	Payment Date	Principal	Interest	Total Debt Service Payment (Annual)	Ongoing Fees	Total Payment Amount	Adjusted Formula Grant
2010	Monthly P & I	38,485	115,421	153,906	-	153,906	1,000,964
2011	Monthly P & I	28,452	139,446	167,898	-	167,898	1,000,964
2012	Monthly P & I	30,509	137,389	167,898	-	167,898	1,000,964
2013	Monthly P & I	32,714	135,184	167,898	-	167,898	1,000,964
2014	Monthly P & I	35,079	132,819	167,898	-	167,898	1,000,964
2015	Monthly P & I	37,615	130,283	167,898	-	167,898	1,000,964
2016	Monthly P & I	40,334	127,564	167,898	-	167,898	1,000,964
2017	Monthly P & I	43,250	124,648	167,898	-	167,898	1,000,964
2018	Monthly P & I	46,377	121,521	167,898	-	167,898	1,000,964
2019	Monthly P & I	49,729	118,169	167,898	-	167,898	1,000,964
2020	Monthly P & I	53,324	114,574	167,898	-	167,898	1,000,964
2021	Monthly P & I	57,179	110,719	167,898	-	167,898	1,000,964
2022	Monthly P & I	61,312	106,586	167,898	-	167,898	1,000,964
2023	Monthly P & I	65,744	102,154	167,898	-	167,898	1,000,964
2024	Monthly P & I	70,407	97,491	167,898	-	167,898	1,000,964
2025	Monthly P & I	75,593	92,305	167,898	-	167,898	1,000,964
2026	Monthly P & I	81,058	86,840	167,898	-	167,898	1,000,964
2027	Monthly P & I	86,918	80,980	167,898	-	167,898	1,000,964
2028	Monthly P & I	93,201	74,697	167,898	-	167,898	1,000,964
2029	Monthly P & I	99,938	67,960	167,898	-	167,898	1,000,964
2030	Monthly P & I	107,163	60,735	167,898	-	167,898	1,000,964
<b>TOTALS</b>		1,234,381	2,277,485	3,511,866	-	3,511,866	21,020,244

**RECORDING REQUESTED BY:**

First Northern Bank of Dixon  
Davis Branch  
434 Second Street  
Davis, CA 95616

**WHEN RECORDED MAIL TO**

First Northern Bank of Dixon  
195 N. First Street  
Dixon, CA 95620

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**MODIFICATION OF DEED OF TRUST**  
(\$480,000.00 Deed of Trust)

This Modification of Deed of Trust (this "Modification") is dated as of January \_\_, 2010, and refers to that certain Deed of Trust given by Housing Authority of the County of Yolo, as Trustor, in favor of Old Republic Title Company, as Trustee, for the benefit of First Northern Bank of Dixon, as Beneficiary, dated November 23, 2005, and recorded December 15, 2005 as Document No. 2005-0052054-00, Official Records of Yolo County, California (the "Deed of Trust") with respect to the real property described on Exhibit A attached hereto and incorporated herein by this reference. Capitalized terms used but not defined herein shall have the meanings ascribed in the Deed of Trust.

Trustor and Beneficiary have agreed to modify the Deed of Trust to add the following provision, which shall be inserted on Page 12 of the Deed of Trust immediately above the section heading "DEFINITIONS."

To the extent that any of the foregoing is in conflict with the requirements of the United States Housing Act of 1937, as amended, Federal regulations, and the Annual Contributions Contract, as amended ("Federal public housing requirements"), such Federal public housing requirements shall control and govern in such instances of conflict. Nothing in the preceding sentence is intended by the parties to restrict or prohibit Beneficiary from exercising its remedies under the Deed of Trust or under that certain Deed of Trust dated November 23, 2005 and recorded December 15, 2005 as Document No. 2005-0052053-00, Official Records of Yolo County, California ("**Official Records**"), as modified by that certain Modification of Deed of Trust of even date herewith and to be recorded simultaneously herewith in the Official Records, in the event of an Event of Default by Trustor.

This Modification may be executed in any number of duplicate original counterparts that, taken together, shall constitute one and the same instrument.

Except as specifically provided herein, the terms of the Deed of Trust remain unmodified and in full force and effect.

Whereupon, this Modification is entered into as of the date first above written.

**TRUSTOR:**

Housing Authority of the County of Yolo

By: \_\_\_\_\_  
Lisa Baker  
Executive Director

**BENEFICIARY:**

First Northern Bank of Dixon

By: \_\_\_\_\_  
Jeff Adamski  
Senior Vice President

**EXHIBIT A  
LEGAL DESCRIPTION**

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WOODLAND, AND IS DESCRIBED AS FOLLOWS:

A PORTION OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 10 NORTH, RANGE 2 EAST, M.D.B.&M., ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID NORTHEAST 1/4, DISTANT THEREON NORTH 89 DEGREES, 27' 58" WEST 1759.50 FEET FROM THE NORTHEAST CORNER THEREOF, AS SHOWN ON THE RECORD OF SURVEY FILED MAY 2, 1967 IN BOOK 9 OF MAPS AND SURVEYS, PAGE 160, YOLO COUNTY RECORDS; RUNNING THENCE SOUTH 0 DEGREES, 21' 22" WEST 424.00 FEET; THENCE NORTH 89 DEGREES, 27' 58" WEST 200.00 FEET; THENCE NORTH 0 DEGREES, 15' 00" EAST 424.00 FEET TO THE NORTH LINE OF SAID NORTHEAST 1/4; THENCE ALONG THE LAST NAMED LINE SOUTH 89 DEGREES, 27' 58" EAST 200.78 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 065-280-13

**RECORDING REQUESTED BY:**

First Northern Bank of Dixon  
Davis Branch  
434 Second Street  
Davis, CA 95616

**WHEN RECORDED MAIL TO**

First Northern Bank of Dixon  
195 N. First Street  
Dixon, CA 95620

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**MODIFICATION OF DEED OF TRUST**  
(**\$2,240,000.00 Deed of Trust**)

This Modification of Deed of Trust (this "Modification") is dated as of January \_\_, 2010, and refers to that certain Deed of Trust given by Housing Authority of the County of Yolo, as Trustor, in favor of Old Republic Title Company, as Trustee, for the benefit of First Northern Bank of Dixon, as Beneficiary, dated November 23, 2005, and recorded December 15, 2005 as Document No. 2005-0052053-00, Official Records of Yolo County, California (the "Deed of Trust") with respect to the real property described on Exhibit A attached hereto and incorporated herein by this reference. Capitalized terms used but not defined herein shall have the meanings ascribed in the Deed of Trust.

Trustor and Beneficiary have agreed to modify the Deed of Trust to provide that it secures only that certain promissory note given by Trustor, as maker, in favor of Beneficiary, dated November 23, 2005 in the original principal amount of Two Million Two Hundred Forty Thousand and 00/100 Dollars (\$2,240,000.00) and will no longer secure those certain promissory notes of even date therewith in the original principal amounts of Four Hundred Eighty Thousand and 00/100 Dollars (\$480,000.00) and One Hundred Eighty Thousand and 00/100 Dollars (\$180,000.00), respectively.

Accordingly, the definition of "Note" contained in the Deed of Trust is deleted, and the following is substituted:

**Note.** The word "Note" means the Note executed by Housing Authority of the County of Yolo in the principal amount of \$2,240,000.00 dated November 23, 2005, together with all renewals of, extensions of, modifications of, refinancing of, and substitutions for the note or credit agreement. **NOTICE TO TRUSTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Trustor and Beneficiary have also agreed to modify the Deed of Trust to add the following provision, which shall be inserted on Page 11 of the Deed of Trust immediately above the section heading "DEFINITIONS."

To the extent that any of the foregoing is in conflict with the requirements of the United States Housing Act of 1937, as amended, Federal regulations, and the Annual Contributions Contract, as amended ("Federal public housing requirements"), such Federal public housing requirements

shall control and govern in such instances of conflict. Nothing in the preceding sentence is intended by the parties to restrict or prohibit Beneficiary from exercising its remedies under the Deed of Trust or under that certain Deed of Trust dated November 23, 2005 and recorded December 15, 2005 as Document No. 2005-0062054-00, Official Records, securing a note in the original principal amount of \$480,000.00, (as modified by that certain Modification of Deed of Trust of even date herewith and to be recorded simultaneously herewith in the Official Records), in the event of an Event of Default by Trustor.

This Modification may be executed in any number of duplicate original counterparts that, taken together, shall constitute one and the same instrument.

Except as specifically provided herein, the terms of the Deed of Trust remain unmodified and in full force and effect.

Whereupon, this Modification is entered into as of the date first above written.

**TRUSTOR:**

Housing Authority of the County of Yolo

By: \_\_\_\_\_  
Lisa Baker  
Executive Director

**BENEFICIARY:**

First Northern Bank of Dixon

By: \_\_\_\_\_  
Jeff Adamski  
Senior Vice President

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BEGINNING AT A POINT ON THE NORTH LINE OF SAID NORTHEAST 1/4, DISTANT THEREON NORTH 89 DEGREES, 27' 58" WEST 1759.50 FEET FROM THE NORTHEAST CORNER THEREOF, AS SHOWN ON THE RECORD OF SURVEY FILED MAY 2, 1967 IN BOOK 9 OF MAPS AND SURVEYS, PAGE 160, YOLO COUNTY RECORDS; RUNNING THENCE SOUTH 0 DEGREES, 21' 22" WEST 424.00 FEET; THENCE NORTH 89 DEGREES, 27' 58" WEST 200.00 FEET; THENCE NORTH 0 DEGREES, 15' 00" EAST 424.00 FEET TO THE NORTH LINE OF SAID NORTHEAST 1/4; THENCE ALONG THE LAST NAMED LINE SOUTH 89 DEGREES, 27' 58" EAST 200.78 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 065-280-13