

MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: David Boesch, County Executive Officer
Holly L. Heinzen, Chief Assistant County Executive Officer

DATE: February 4, 2014

SUBJECT: City of Lincoln – Village 7 Proposed Annexation Resolution and Tax Sharing Agreement

ACTION REQUESTED

Adopt a Resolution approving a property tax sharing agreement with the City of Lincoln for annexation of approximately 521 acres (APNs 021-283-008, 010, and 021-263-012, 014, 018, 019) located near Moore Road southwest of the City and authorizing the County Executive Officer to sign the agreement.

BACKGROUND

The City of Lincoln has requested annexation of 521.1 acres of unincorporated land within the City's Sphere of Influence, located southwest of the City. This proposed annexation area is zoned Farm and is owned by Lincoln Land Holdings, LLC. Lincoln Land Holdings has proposed development of an estimated total of 2,470 new housing units, neighborhood serving retail uses, parks, a community center and elementary school.

Prior to consideration by LAFCO, the County and City as the affected parties must agree to apportionment of revenues to support delivery of services once annexation occurs. In order to proceed, both jurisdictions must approve a Resolution authorizing an agreement for sharing of revenues generated in the annexation area. County and City staff have reached an agreement for revenue sharing apportionments that will provide support of countywide and municipal type services.

ISSUE

Currently, of the 1% of the property tax received in the proposed annexation area, the County receives a total of 32.23 %. As proposed under the attached agreement, a separate tax rate area will be created. The increment factor for the County will be 27% and the increment factor for the City will be 5% for the purposes of establishing the property tax base formula (AB8). For the first three years after establishment of the new tax rate area the City and County will each receive 50% of the net Property Tax Revenue proceeds (after respective shifts to the Education Revenue Augmentation Fund).

Honorable Board of Supervisors
City of Lincoln - Village 7 Tax Sharing Agreement
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During the first three years, the City and County will collaboratively develop a City/County Services Model (Model) that describes the functions provided by each jurisdiction, the cost attributable to the Annexation Area of providing those functions, and anticipated revenue streams to include general revenues as well as special fees and assessments. The Model will take into consideration capital expenditure and maintenance expenses related to countywide growth, reserves and contingencies as may be applicable to both jurisdictions. The intent of the Model is to develop, through mutually agreed up on assumptions, a fixed property tax distribution that does not change annually and is readily applied by the County Auditor in its property tax calculations consistent with normal business practices.

After the third year, the net Property Tax Revenue will be divided based on the Model. In the event that the Model reflects a County allocation that exceeds the Property Tax Revenue collected in a single year, the amount is carried forward and paid out from future years' Property Tax Revenue. The same shortfall carry forward provision applies to the City as well. In years that Property Tax Revenue exceeds the allocations for both the City and the County, the net revenue will be distributed equally to the City and County. If the Model is not in place by the fourth year, the County will receive 60% and the City will receive 40% of the Property Tax Revenue levied in the Annexation Area.

Consistent with requirements in other property tax agreements, the City agrees to impose and collect the Placer County Capital Facilities Fee for impacts of new development on County facilities, which the City currently does for all projects within the City limits. The Lincoln City Council authorized the agreement on December 18, 2013. The approval of the Board of Supervisors is required to move forward with this annexation.

Given current economic circumstances and the opportunity that exists to catalyze a project that is largely ready for construction, the County Executive Office is supportive of proceeding with the agreement as written. While there are catch up provisions when County costs are not fully funded, it appears there would be some additional financial risk that would be assumed by the County as well as additional administrative costs utilizing this approach compared to more recent tax sharing agreements. The parties recognize that this is not intended to set a precedent and the County would recommend this approach only under limited circumstances.

FISCAL IMPACT

It is anticipated that overall funding to the County for the provision of countywide services would not be materially impacted with this tax sharing agreement and broader economic benefits would be realized.

Jl:hh

Attachment: Resolution
Tax Sharing Agreement

Before the Board of Supervisors County of Placer, State of California

Resol. No: _____

In the Matter of:

A resolution authorizing the County Executive Officer to execute a revenue sharing agreement with the City of Lincoln for proposed annexation in the area southwest of Lincoln for a portion of a project currently known as the Village 7 Specific Plan.

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held on February 4, 2014 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

Whereas, Lincoln has proposed the annexation of area southwest of the City of Lincoln ("City") currently within the unincorporated area of Placer County ("County"); and

Whereas, the City proposes to annex 521.1 acres for a portion of a project referred to as the Village 7 Specific Plan, within the City's Sphere of Influence; and

Whereas, the Local Agency Formation Commission (LAFCO) requires a resolution authorizing the exchange of tax revenues between the City and the County for taxes generated in the annexation area, prior to consideration of the annexation; and

Whereas, the County will retain countywide service responsibilities and transfer responsibility for municipal services to the City; and

Whereas, as we emerge from the recession an opportunity exists to catalyze a project that is largely ready for construction, and

Whereas, the parties acknowledge such circumstances and do not intend that this agreement would set a precedent for future agreements; and

Whereas, County and City have negotiated a property tax transfer agreement to support funding for services to be provided by each jurisdiction upon annexation; and

Whereas, it is not anticipated that overall countywide funding for the provision of services would not be materially impacted with this tax sharing agreement; and

Whereas, it is anticipated that broader economic benefits would be realized.

Now, THEREFORE, BE IT RESOLVED, as follows: The Board of Supervisors hereby approves the attached property tax exchange agreement pertaining to the City of Lincoln's annexation of Village 7 Specific Plan area and the County Executive Officer is authorized to sign the property tax agreement on behalf of the County.

PROPERTY TAX REVENUE SHARING AGREEMENT
BETWEEN THE CITY OF LINCOLN AND THE COUNTY OF PLACER
FOR A PORTION OF THE VILLAGE 7 SPECIFIC PLAN AREA

This Tax Sharing Agreement ("Agreement") is made and executed in duplicate by and between the CITY OF LINCOLN, a municipal corporation of the State of California ("City"), and the COUNTY OF PLACER, a charter county and political subdivision of the State of California ("County"), (collectively, the "Parties").

RECITALS

A. The City has filed an application with the Placer County Local Agency Formation Commission ("LAFCo"), pursuant to the Cortese-Knox Local Reorganization Act of 1985 (Gov. Code, §§ 56000, et seq.), requesting approval of the annexation into the City of real property in the unincorporated portion of the County, within the area known as Village 7, to be developed by Lincoln Land Holdings, LLC ("Lincoln Land Holdings, LLC Annexation").

B. Revenue and Taxation Code section 99 requires a city seeking to annex property and the county affected by such annexation to agree upon a property tax revenue exchange agreement.

C. The City and the County wish to work together to develop a fair and equitable approach to the sharing of Property Tax Revenue within the Annexation area. The City and the County recognize the importance of the City's and the County's services and are prepared to cooperate as provided in this Agreement in an effort to address the City's and the County's fiscal considerations in providing such services, as well as their respective economic and planning needs.

D. The City and the County recognize that they require time to accurately determine the agreed upon data to be used under the Model governing the long term exchange of Property Tax Revenue.

E. The parties are agreeing to enter into the Agreement in order to allow the Annexation to proceed and with the expectation that implementation of the Model, which will govern the long term exchange of Property Tax Revenue, will mitigate any negative fiscal effects.

F. The Affected Tax Rate Areas which include all Base property tax levies and/or Incremental property tax levies available from the Annexation Area include the following: TRA 076-055.

G. The County Auditor has notified the City and County pursuant to Revenue and Taxation Code section 99(b)(2), that, of the 1% Ad Valorem Property Tax imposed pursuant to Article 13A, section 1 of the State Constitution, the Property Tax Revenue which is subject to negotiated exchange consists of the following elements. Amounts are estimates and are subject to correction. Placer County General Fund 29.4707%. Placer County Library Fund 1.4657%. County Fire Fund 1.2978%. Total 32.2342%.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

SECTION 1. Incorporation of Recitals. The Parties agree that the Recitals, above, constitute the factual basis upon which the City and the County have entered into this Agreement. The City and the County each acknowledge the accuracy of the Recitals and agree that the Recitals are incorporated into this Agreement as though fully set forth at length.

SECTION 2. Property Tax Revenue. "Property Tax Revenue" shall mean "ad valorem real property taxes on real property" as said term is used in Section 1 of Article 13A of the California Constitution and more particularly defined in subsection (c) of Section 95 of the California Revenue and Taxation Code, and includes both the Base (total amount of property tax revenue based upon the AB-8 gross levy for the fiscal year) and the Incremental (amount of property tax revenue attributable to the annual tax increment change in assessed valuation in each fiscal) property tax revenues.

SECTION 3. Annexation Area. "Annexation Area" shall mean that portion of the area known as Village 7 in the unincorporated area of the County proposed to be developed by Lincoln Land Holdings, LLC and consists of 521.1 acres, southwest of the City, within the City's sphere of influence, and within the area identified in the City's 2050 General Plan as Village 7. The Annexation Area is identified in LAFCo application control number 2012-01 as Village 7. The Annexation Area would eventually provide for an estimated total of 2,470 new housing units, 5,322 new residents, and a 12.2% increase in the City's population. The Annexation Area is more particularly described in Exhibit A.

SECTION 4. Annexation Date. "Annexation Date" shall mean the date specified by the Cortese-Knox Local Governmental Reorganization Act of 1985 (Gov. Code, §§ 56000, et seq.) as the effective date of the Lincoln Land Holdings, LLC Annexation.

SECTION 5. General Purpose of Agreement. The general purpose of this Agreement is to devise an equitable exchange of Property Tax Revenue between the City and the County on and after the Annexation Date as required by Government Code section 56815(b) and Revenue and Taxation Code section 99.

SECTION 6. Establishment of Separate Tax Rate Area. County and County Auditor will work with the State Board of Equalization to establish a separate Tax Rate Area (TRA) for the Annexation Area prior to allocation and distribution of Property Tax Revenue under this Agreement. For purposes of establishing the new TRA and setting the AB 8 calculation, the increment factor for the County will be 27% and the increment factor for the City will be 5%. County Auditor will report to City and County the actual amount of the Ad Valorem Property Tax Revenue levied from the TRA pursuant to this agreement.

SECTION 7. Exchange of Property Tax Revenue. The City and the County shall exchange Property Tax Revenue as follows:

(a) Commencing the first fiscal year following the date the new TRA(s) appears on the State Board of Equalization's Tax Rate Area Chart and terminating at the end of three (3) fiscal years, the City and County shall each receive fifty percent

(50%) of the net Property Tax Revenue levied for the Annexation Area. The formula for determining the total net Property Tax Revenue available to be split between the City and County will be calculated by applying the City and County ERAF contributions to the AB8 levy for the Annexation Area, totaling the resulting net levy for each, and then splitting that total equally between the County and City.

(b) For the period commencing the fourth (4th) fiscal year after the new TRA(s) appears on the State Board of Equalization's Tax Rate Area Chart, the Property Tax Revenue shall be divided as follows, based on the City/County Services Model ("Model") set forth in Section 8:

(1) The County shall receive Property Tax Revenue, as determined by the Model. If the County's allocation as determined by the Model, exceeds the Property Tax Revenue collected in a single fiscal year, the shortfall shall carry forward and be first paid out from future years' Property Tax Revenue.

(2) After the County has received payment as set forth in sub-Section 7(b)(1), the City shall receive Property Tax Revenue as determined by the Model. If the City's allocation as determined by the Model exceeds the Property Tax Revenue collected in a single fiscal year, the shortfall shall carry forward and be paid out from future years' Property Tax Revenue, to be paid after payment to the County as specified in sub-Section 7(b)(1).

(3) If in any single year the Property Tax Revenue exceeds the allocations for both the City and the County as determined in sub-Sections 7(b) (1) and (2), the additional combined net revenue shall be distributed as follows: fifty percent (50%) to the County and fifty percent (50%) to the City.

(c) If the Model is not in place at the commencement of the fourth fiscal year following the date the new TRA(s) appears on the State Board of Equalization's Tax Rate Area Chart, then the County shall receive sixty percent (60%) and the City shall receive forty percent (40%) of the net Property Tax Revenue levied for the Annexation Area, utilizing the calculation formula set forth in paragraph 7(a).

SECTION 8. City/County Services Model. Commencing on the Annexation Date, the City and the County shall work together to develop the Model describing the services, activities, facilities, or infrastructure (hereinafter "Functions") to be provided by each jurisdiction, the cost attributable to the Annexation Area of providing those Functions, and revenue streams, including but not limited to, Property Tax Revenue, user fees, assessments, and sales taxes. The Parties may also take into consideration capital expenditures related to countywide growth, capital maintenance, the level of reserves and contingencies, and other elements normally considered by local jurisdictions in the State of California. It is intended that the Model will create a fixed rate which does not change annually and is readily useable by the County Auditor in its AB-8 or property tax calculations. This Model shall be developed as follows:

(a) The City and the County shall mutually agree on the assumptions underlying the Model.

(b) The assumptions underlying the Model shall govern the allocation of Property Tax Revenue to each jurisdiction for the purposes of this Agreement.

(c) The agreed upon Model will be implemented through an amendment to the Tax Agreement.

(d) The Model shall be updated if there has been a significant change in: (1) the revenue assumptions in the Model for either the City or the County, (2) State action has imposed a significantly increased service level for either the City or the County without providing a funding source, or (3) other State action has occurred which has the effect of altering the fiscal outcomes that the tax sharing agreement was intended to provide. For the purposes of this provision, the term State action includes action or inaction by the State of California, or action by the voters or judiciary.

(e) If the Parties cannot reach agreement on the Model, or on whether there has been significant change necessitating an update to the Model, or on the modifications to the Model in response to a significant change, the City and the County shall mutually select a fiscal expert consulting firm to analyze and informally mediate the dispute. The City and the County will bear equally the cost of the services of the expert consultant. If after the informal mediation process the parties still cannot reach agreement, the retained expert consultant will prepare a Proposed Report containing its recommendation for settlement of the dispute. The Proposed Report will be provided to Party representatives. No later than 30 days from the date of the Proposed Report, any Party may request in writing changes to the Proposed Report. The other Party will have 20 days to make any written response to the requested changes. If any Party requests any changes to the Proposed Report, the retained consultant will consider the comments regarding requested changes, make any changes he/she thinks appropriate, prepare the Final Report, and provide the Final Report to the Parties no later than 90 days from the date of the Proposed Report. If no Party timely requests changes to the Proposed Report it will become the Final Report of the consultant. After the Report of the consultant becomes Final the parties will take the Final Report to their governing bodies for action as a public agenda item. If either of the governing bodies rejects or modifies the Final Report it will make written findings of fact as to why the recommendation of the retained consultant as contained in the Final Report was not accepted.

SECTION 9. County Capital Facilities Fee.

(a) The City will require the developer of the Annexation Area to pay the County's Capital Facilities Fee to County pursuant to County Ordinance No. 4769-B, adopted October 15, 1996, or its successor ordinance ("Capital Facilities Fee Ordinance"). The City will fulfill this obligation by including the requirement in any development agreement between the City and the owner of the Annexation Area. The City will require the developer to pay the fee to City and the City will remit the fee revenue to County within thirty (30) days of receipt.

(b) In the event that the City takes any of the following actions with the effect that the developer is not liable for the fee, the City agrees that it will pay the Capital Facilities Fee to County in accordance with the Capital Facilities Fee Ordinance: (i) The City does not enter into a development agreement, or the City Council affirmatively and intentionally decides not to require the payment of the fee in the development

agreement. (ii) The City Council affirmatively and intentionally modifies or cancels the development agreement such that the developer is no longer liable for paying the fee.

(c) In the event that the City does not collect the Capital Facilities Fee or enforce the development agreement such that the Capital Facilities Fee is not paid to County the City agrees that it will assign to County any rights it may have to enforce the development agreement and otherwise collect the Capital Facilities Fee from the developer.

(d) Notwithstanding the provisions of this Section 9(a), neither the City nor the Annexation Area developer shall have any liability under this Section to pay the Capital Facilities Fee to County if the Capital Facilities Fee Ordinance and any attempts to legally amend it, are determined invalid by final judgment of a court of competent jurisdiction or if the authority to impose the Capital Facilities Fee in the unincorporated area is withdrawn from the County by an act of the Legislature.

SECTION 10. Exchange by County Auditor. The City and the County further agree that all of the exchanges of property taxes required by this Agreement shall be made by the County Auditor.

SECTION 11. Modification. This Agreement may only be modified or amended in writing duly authorized and executed by both the City and the County.

SECTION 12. Effect of Tax Exchange Agreement. This Agreement shall be applicable solely to the Annexation Area and does not constitute a master tax sharing agreement or an agreement on property tax exchanges which may be required for any future annexation to the City.

SECTION 13. Entire Agreement. With respect to the Annexation Area only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understandings between the City and the County with respect to the sharing of Property Tax Revenue for the Annexation Area.

SECTION 14. Notices. All notices, requests, certifications, or other correspondence provided by the Parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective Parties at the following addresses:

County
Placer County Executive Officer
County of Placer
175 Fulweiler Avenue.
Auburn, CA 95603

City
City Manager
City of Lincoln
600 Sixth Street
Lincoln, CA 95648

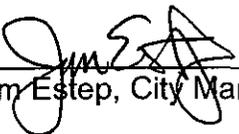
Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three (3) days after mailing, whichever is earlier.

SECTION 15. Agreement or Consent. Wherever this Agreement requires a party's agreement or consent, the party shall make its decision to give or withhold such agreement or consent in good faith, and shall not withhold such agreement unreasonably or without good cause.

SECTION 16. Construction of Captions. Captions of the sections of this Agreement are for convenience and reference only. The words in the captions in no way explain, modify, amplify, or interpret this Agreement.

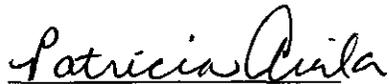
Section 17. Effective Date. The City of Lincoln has authorized the execution of this Agreement by its Council, and Placer County has authorized its execution by the Board of Supervisors, on the dates set forth below. The Effective Date of this Agreement shall be on the date last authorized as indicated below.

CITY OF LINCOLN, a municipal corporation



Jim Estep, City Manager

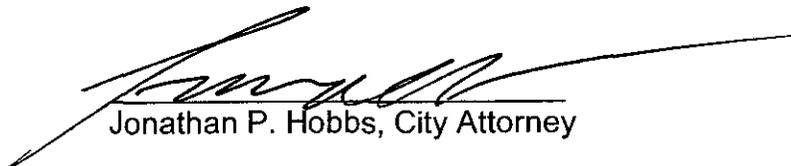
ATTEST:



Patricia Avila, City Clerk

Date approved by City Council: 12-10-13

APPROVED AS TO FORM:



Jonathan P. Hobbs, City Attorney

COUNTY OF PLACER

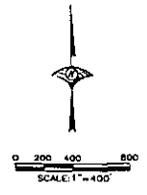
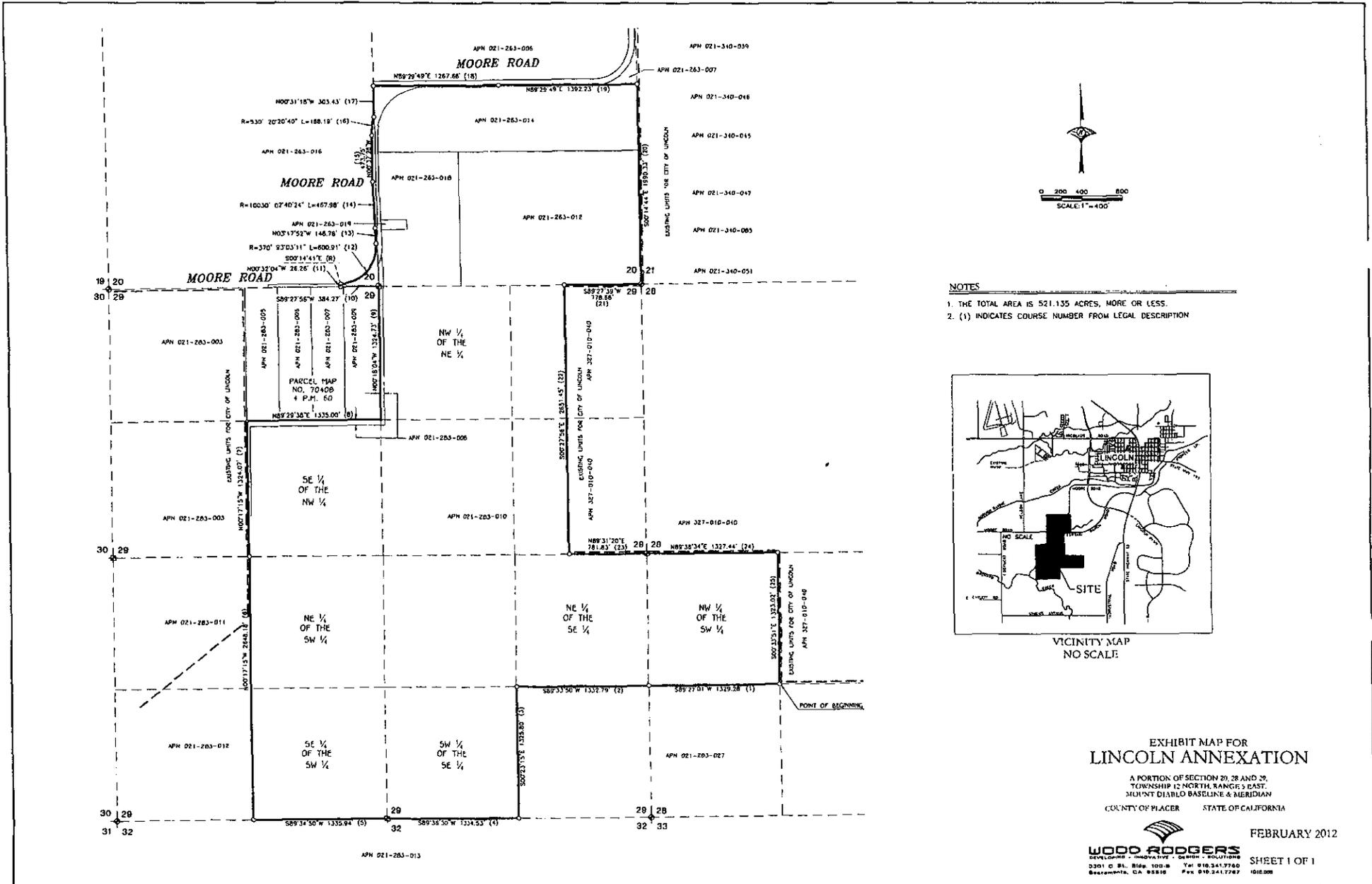
David Boesch, County Executive Officer

ATTEST:

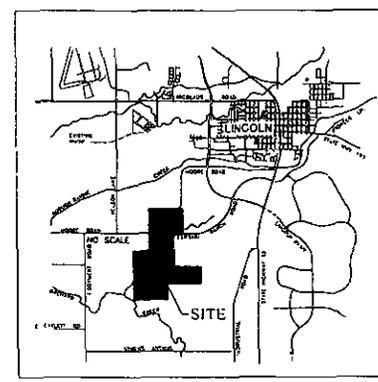
Ann Holman, Clerk of the Board
Date approved by Board of Supervisors: _____

APPROVED AS TO FORM:

Gerald Carden, County Counsel



- NOTES**
1. THE TOTAL AREA IS 521.135 ACRES, MORE OR LESS.
 2. (()) INDICATES COURSE NUMBER FROM LEGAL DESCRIPTION



**EXHIBIT MAP FOR
 LINCOLN ANNEXATION**
 A PORTION OF SECTION 28, 29 AND 30,
 TOWNSHIP 12 NORTH, RANGE 3 EAST,
 MOUNT Diablo BASELINE & MERIDIAN
 COUNTY OF PLACER STATE OF CALIFORNIA


WOOD RODGERS
 DEVELOPER - ENGINEER - SURVEYOR - CONSULTANT
 3201 G St., Suite 100-B Yuba City, CA 95999
 Tel: 916.341.7760 Fax: 916.341.7767

FEBRUARY 2012
 SHEET 1 OF 1
 1010208

105

EXHIBIT A

EXHIBIT 'A'

#1010.008

LEGAL DESCRIPTION FOR LINCOLN ANNEXATION

A portion of the south one-half of Section 20, a portion of the southwest one-quarter of Section 28 and a portion of Section 29, all in Township 12 North, Range 6 East, Mount Diablo Baseline and Meridian, located in the County of Placer, State of California, described as follows:

Beginning at the southeast corner of the northwest one-quarter of the southwest one-quarter of said Section 28, said point also described as being the most southerly southwest corner of Lot 209 as shown on that certain Final Map entitled "Final Map No. 2003-197, Lincoln Crossing Phase 3A – Large Lot Subdivision" filed for recorded on December 26, 2003 in Book Z of Maps, at Page 59, Placer County Records;

1. South 89°27'01" West a distance of 1329.28 feet, coincident with the south line of the northwest one-quarter of the southwest one-quarter of said Section 28 to the southeast corner of the northeast one-quarter of the southeast one-quarter of said Section 29;
2. South 89°33'50" West a distance of 1332.79 feet, coincident with the south line of the northeast one-quarter of the southeast one-quarter of said Section 29 to the southwest corner of the northeast one-quarter of the southeast one-quarter of said Section 29;
3. South 00°23'15" East a distance of 1325.80 feet, coincident with the east line of the southwest one-quarter of the southeast one-quarter of said Section 29 to the south line of the southeast one-quarter of said Section 29;
4. South 89°36'30" West a distance of 1334.53 feet, coincident with the south line of the southeast one-quarter of said Section 29 to the south one-quarter corner of said Section 29;
5. South 89°34'50" West a distance of 1335.94 feet, coincident with the south line of the southwest one-quarter of said Section 29 to the southwest corner of the southeast one-quarter of the southwest one-quarter of said Section 29;
6. North 00°17'15" West a distance of 2648.18 feet, coincident with the west line of the east one-half of the southwest one-quarter of said Section 29 to the southwest corner of the southeast one-quarter of the northwest one-quarter of said Section 29;

7. North $00^{\circ}17'15''$ West a distance of 1324.07 feet, coincident with the west line of the southeast one-quarter of the northwest one-quarter of said Section 29 to the northwest corner of the southeast one-quarter of the northwest one-quarter of said Section 29;
8. North $89^{\circ}29'38''$ East a distance of 1335.00 feet, coincident with the north line of the southeast one-quarter of the northwest one-quarter of said Section 29 to the southwest corner of the northwest one-quarter of the northeast one-quarter of said Section 29;
9. North $00^{\circ}18'04''$ West a distance of 1324.73 feet, coincident with the west line of the northwest one-quarter of the northeast one-quarter of said Section 29 to the south one-quarter of said Section 20;
10. South $89^{\circ}27'57''$ West a distance of 384.26 feet, coincident with the south line of the southwest one-quarter of said Section 20;
11. North $00^{\circ}32'04''$ West a distance of 26.26 feet, leaving said south line of the southwest one-quarter of said Section 20 to the boundary of that certain Grant Deed to the County of Placer recorded on October 1, 1980 in Volume 2306, at Page 181, Official Records of Placer County;
12. thence coincident with said boundary of the Grant Deed to the County of Placer for the following 5 arcs, courses and distances: from a radial line which bears South $00^{\circ}14'41''$ East, 600.91 feet along the arc of a non-tangent 370.00 foot radius curve to the left through a central angle of $93^{\circ}03'11''$;
13. North $03^{\circ}17'52''$ West a distance of 148.76 feet to a point of curvature;
14. 467.98 feet along the arc of a tangent 10030.00 foot radius curve to the right through a central angle of $02^{\circ}40'24''$;
15. North $00^{\circ}37'28''$ West a distance of 473.75 feet to a point of curvature; and
16. 188.19 feet more or less along the arc of a tangent 530.00 foot radius curve to the right through a central angle of $20^{\circ}20'41''$ to the west line of the southeast one-quarter of said Section 20;
17. North $00^{\circ}31'18''$ West a distance of 303.43 feet, coincident with the west line of the southeast one-quarter of said Section 20 to the northwest corner of the south one-half of the north one-half of the southeast one-quarter of said Section 20 as described in that certain Grant Deed to the County of Placer recorded on September 12, 1980 in Volume 2298, at Page 222, Official Records of Placer County;

18. North 89°29'49" East a distance of 1267.68 feet, coincident with the north line of the south one-half of the north one-half of the southeast one-quarter of said Section 20 to the northeast corner of said Grant Deed;
19. North 89°29'49" East a distance of 1392.23 feet, coincident with the north line of the south one-half of the north one-half of the southeast one-quarter of said Section 20 to the east line of the southeast one-quarter of said Section 20;
20. South 00°14'44" East a distance of 1990.33 feet, coincident with the east line of the southeast one-quarter of said Section 20 to the northeast corner of said Section 29;
21. South 89°27'39" West a distance of 778.66 feet, coincident with the north line of the northwest one-quarter of said Section 29 and also described as the north line of said Lot 209 to the northwest corner of said Lot 209;
22. South 00°27'56" East a distance of 2651.45 feet, coincident with the west line of said Lot 209 to the north line of the northeast one-quarter of the southeast one-quarter of said Section 29;
23. North 89°31'20" East a distance of 781.83 feet, coincident with the north line of the northeast one-quarter of the southeast one-quarter to the west one-quarter corner of said Section 28;
24. North 89°36'34" East a distance of 1327.44 feet, coincident with the north line of the northwest one-quarter of the southwest one-quarter of said Section 28 to the northeast corner of the northwest one-quarter of the southwest one-quarter of said Section 28;
25. South 00°33'51" East a distance of 1323.02 feet, coincident with the east line of the northwest one-quarter of the southwest one-quarter of said Section 28 to the Point of Beginning.

Containing 521.135 acres of land, more or less.

Basis of Bearings for this description is the California State Plane Coordinate System, Zone 2, North American Datum of 1983 as measured between Stations "111" and "A855" as shown on that certain Record of Survey #2291 recorded in Book 16 of Surveys, at Page 105, Placer County Records. Said Bearing is North 27° 06' 14" West.

END OF DESCRIPTION

WOOD RODGERS, INC,
SACRAMENTO, CALIFORNIA