

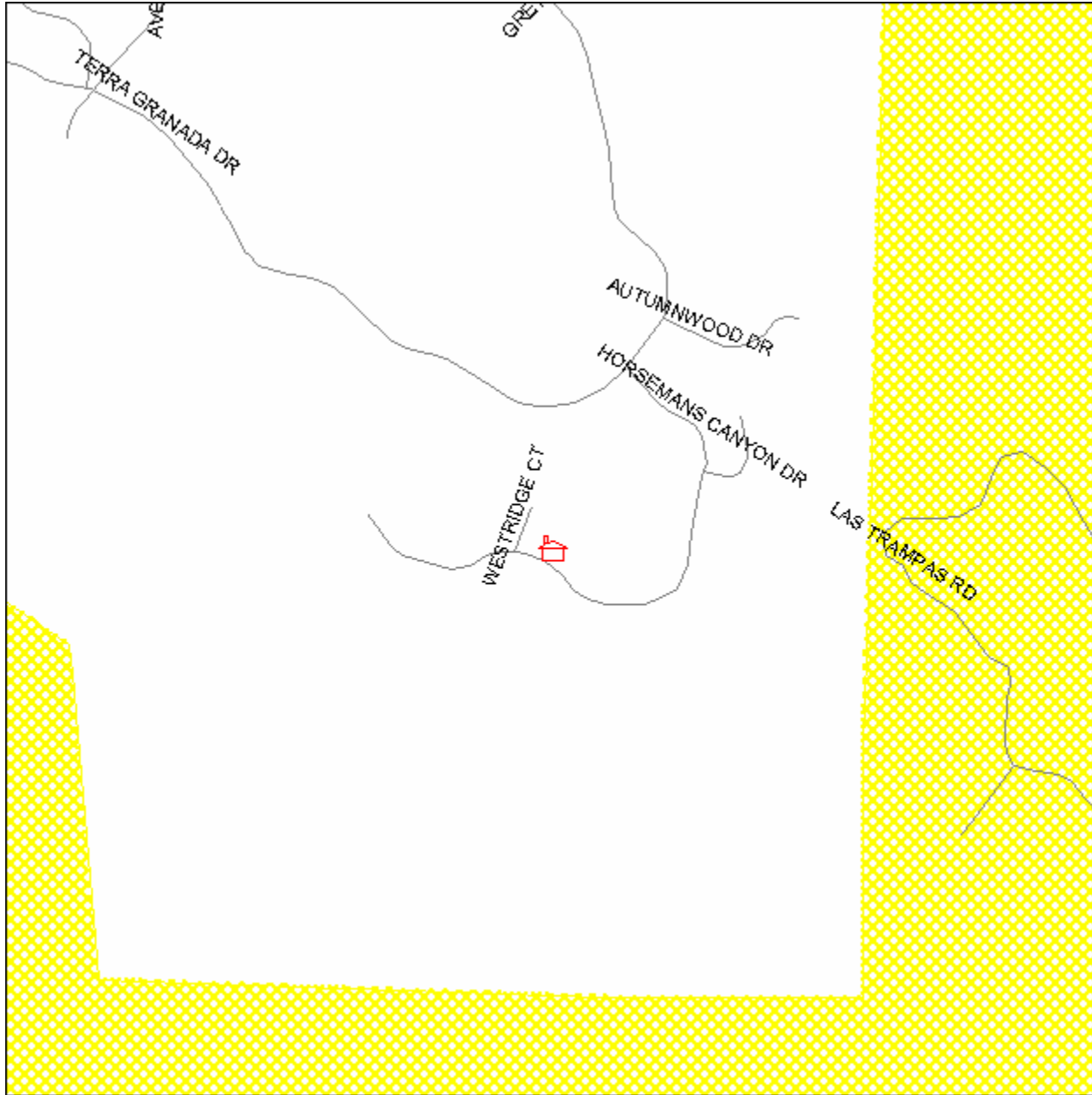
JCP Property Disclosure | MAP COVER PAGE

Natural Hazard Disclosure Report




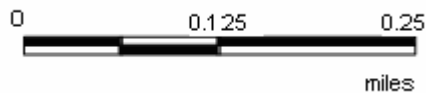
Property Address: 6406 HORSEMANS CANYON DR ,
WALNUT CREEK, CONTRA COSTA County, CA








APN: 189-850-013-5
Date: 08/27/2007
Report Number: 150878



NOTE – This map is for general reference only. ANY USE OF THIS MAP IS AN ACKNOWLEDGEMENT AND AGREEMENT THAT ONLY THE INFORMATION ON THE STATUTORY FORM SHALL BE RELIED UPON FOR THE ACTUAL DISCLOSURES.

 Subject Property



	Special Flood Hazard Area
	Area of Potential Flooding, Dam Failure
	Very High Fire Hazard Severity Zone
	Wildland Area, Substantial Forest Fire Risk
	Earthquake Fault Zone
	Seismic Hazard Zone, Landslide
	Seismic Hazard Zone, Liquefaction



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , **APN:** 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007
Report Number: 150878

Statutory Natural Hazard Disclosure Statement

The transferor and his or her agent(s) disclose the following information with the knowledge that even though this is not a warranty, prospective transferees may rely on this information in deciding whether and on what terms to purchase the subject property. Transferor hereby authorizes any agent(s) representing any principal(s) in this action to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

The following are representations made by the transferor and his or her agent(s) based on their knowledge and maps drawn by the State. This information is a disclosure and is not intended to be part of any contract between the transferee and the transferor. THIS REAL PROPERTY LIES WITHIN THE FOLLOWING HAZARDOUS AREA(S):

A SPECIAL FLOOD HAZARD AREA (Any type Zone "A" or "V") designated by the Federal Emergency Management Agency.

Yes _____ No X Do not know and information not available from local jurisdiction _____

AN AREA OF POTENTIAL FLOODING shown on a dam failure inundation map pursuant to Section 8589.5 of the Government Code.

Yes _____ No X Do not know and information not available from local jurisdiction _____

A VERY HIGH FIRE HAZARD SEVERITY ZONE pursuant to Section 51178 or 51179 of the Government Code. The owner of this property is subject to the maintenance requirements of Section 51182 of the Government Code.

Yes _____ No X

A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISK AND HAZARDS pursuant to Section 4125 of the Public Resources Code. The owner of this property is subject to the maintenance requirements of Section 4291 of the Public Resources Code. Additionally, it is not the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the Department of Forestry and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to Section 4142 of the Public Resources Code.

Yes _____ No X

AN EARTHQUAKE FAULT ZONE pursuant to Section 2622 of the Public Resources Code.

Yes _____ No X

A SEISMIC HAZARD ZONE pursuant to Section 2696 of the Public Resources Code.

Yes (Landslide Zone) ___ Yes (Liquefaction Zone) _____

No ___ Map not yet released by state X

THESE HAZARDS MAY LIMIT YOUR ABILITY TO DEVELOP THE REAL PROPERTY, TO OBTAIN INSURANCE, OR TO RECEIVE ASSISTANCE AFTER A DISASTER. THE MAPS ON WHICH THESE DISCLOSURES ARE BASED ESTIMATE WHERE NATURAL HAZARDS EXIST. THEY ARE NOT DEFINITIVE INDICATORS OF WHETHER OR NOT A PROPERTY WILL BE AFFECTED BY A NATURAL DISASTER. TRANSFEREE(S) AND TRANSFEROR(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

Signature of Transferor (Seller) _____ Date _____

Signature of Transferor (Seller) _____ Date _____


Signature of Agent _____ Date _____

Signature of Agent _____ Date _____

Check only one of the following:

Transferor(s) and their agent(s) represent that the information herein is true and correct to the best of their knowledge as of the date signed by the transferor(s) and agent(s).

Transferor(s) and their agent(s) acknowledge that they have exercised good faith in the selection of a third-party report provider as required in Civil Code Section 1103.7, and that the representations made in this Natural Hazard Disclosure Statement are based upon information provided by the independent third-party disclosure provider as a substituted disclosure pursuant to Civil Code Section 1103.4. Neither transferor(s) nor their agent(s) (1) has independently verified the information contained in this statement and report or (2) is personally aware of any errors or inaccuracies in the information contained on the statement. This statement was prepared by the provider below:

Third-Party Disclosure Provider(s)  Date 08/27/2007 Rept. No. 150878
Scott Roecklein, Sr. Vice President
JCP Property Disclosure Natural Hazard Disclosures

Transferee represents that he or she has read and understands this document. I (We) also have read and understand the added local hazard, airport, military ordnance, commercial zoning, BCDC disclosure, energy efficiency disclosure, Megan's Law disclosures, as well as the mold, radon, meth lab, and endangered species advisories and the map cover page contained in this report. Pursuant to Civil Code Section 1103.8, the representations made in this Natural Hazard Disclosure Statement do not constitute all of the transferor's or agent's disclosure obligations in this transaction.

Signature of Transferee(s) _____ Date _____

Signature of Transferee(s) _____ Date _____

Additional Signatures Required – See Section 4, TAX DISCLOSURE REPORT



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , **APN:** 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007
Report Number: 150878

Summary Declaration of Liability Provisions

JCP Property Disclosure Natural Hazard Disclosures ("JCP"), a subsidiary of The First American Corporation, hereby declares that Recipients of a natural hazard disclosure report issued by a Member Company ("Report") pursuant to California Civil Code §1103 *et seq.* for a transaction are provided the following assurances and protections.

Recipients

- Buyers, Sellers and their respective real estate agents and brokers involved in the sale of the property for which the Report was issued.

Member Companies

- First American Natural Hazard Disclosures, LLC.
- LGS reports
- JCP Property Disclosure Reports

Protections

All Recipients of a Report shall enjoy the following assurances and protections if their Report contains an error which results in damages as defined in the Report ("Error") upon proper tender of the claim:

- (1) JCP will resolve the claim promptly and in good faith.
- (2) JCP will defend a Recipient against legal action brought against that Recipient as a result of the Error or otherwise resolve the Error without economic loss to the Recipient.
- (3) Recipients will enjoy the benefits of amounts received by JCP from its errors and omissions ("E&O") insurance carrier as a result of the Error.
- (4) To the extent that economic loss resulting from the Error is not paid by the E&O insurance proceeds, JCP shall be liable for any remaining loss.

Recipients are entitled to rely on the provisions of the Report as of the close of escrow for the transaction for which said Report was issued.

By: JCP Property Disclosure
08/27/2007

Scott Roecklein, Sr. Vice President

Date:





JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , **APN:** 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007
Report Number: 150878

The JCP Report™

Map Cover Page
Statutory Form
Confirmation of Coverage

SUMMARY AND INDEX OF DISCLOSURES AND ADVISORIES

For a complete explanation of the disclosures summarized below, refer to the sections and pages indicated.

SECTION 1

State Level Statutory Zone Disclosures

		<u>Determination</u>	
Flood	A SPECIAL FLOOD HAZARD AREA	NOT IN	See Section 1 Page 1
	AN AREA OF POTENTIAL FLOODING	NOT IN	See Section 1 Page 1
Fire	A VERY HIGH FIRE HAZARD SEVERITY ZONE	NOT IN	See Section 1 Page 1
	A WILDLAND FIRE AREA (SRA)	NOT IN	See Section 1 Page 2
Seismic	AN EARTHQUAKE FAULT ZONE	NOT WITHIN	See Section 1 Page 2
	A SEISMIC HAZARD LANDSLIDE ZONE	MAP NOT AVAILABLE	See Section 1 Page 2
	A SEISMIC HAZARD LIQUEFACTION ZONE	MAP NOT AVAILABLE	See Section 1 Page 2

* N/A = The map is not yet released by the State.

SECTION 2

County Level Zone Disclosures

FAULT	WITHIN	See Section 2 Page 1
LANDSLIDE	NOT IN	See Section 2 Page 1
LIQUEFACTION	LOW	See Section 2 Page 1

City Level Zone Disclosures

FAULT	NOT WITHIN	See Section 2 Page 3
LANDSLIDE	IN	See Section 2 Page 3
LIQUEFACTION	NOT IN	See Section 2 Page 3

Index Page ii



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007

Report Number: 150878

SECTION 3

OTHER DISCLOSURES, ADVISORIES AND TERMS AND SERVICES

Other Zone Disclosures

	<u>Determination</u>	
Commercial/ Industrial LOCATED WITHIN 1 MILE OF A COMMERCIAL OR INDUSTRIAL SITE	IN	See Section 3 Page 1
Military Ordnance FORMER MILITARY ORDNANCE SITE DISCLOSURE	NOT WITHIN	See Section 3 Page 1
Airports AIRPORT NOISE DISCLOSURE	NOT WITHIN	See Section 3 Page 2
AIRPORT INFLUENCE AREA	NOT IN	See Section 3 Page 2
Megan's Law		See Section 3 Page 3
San Francisco Bay Conservation and Development Commission Disclosure	NOT IN	See Section 3 Page 4
California Energy Commision Duct Sealing & Testing	IN	See Section 3 Page 5

Advisories

Methamphetamine Contaminated Property Disclosure Advisory	See Section 3 Page 6
Mold Advisory	See Section 3 Page 6
Radon Advisory	See Section 3 Page 7
Endangered Species Advisory	See Section 3 Page 8

Services Section

SECTION 4

CALIFORNIA PROPERTY TAX DISCLOSURE REPORT

<<Requires Additional Signature on Section 4, Page 1>>

Summary of Current Property Tax Charges



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007

Report Number: 150878

Notice of Special Tax and Assessment

Pursuant to Section 1102.6b of the California Civil Code

Accelerated Foreclosure Notice

Senior Citizen Exemptions Explanation

Mandatory Notice of Supplemental Property tax Bill(s)

Pursuant to Section 1102.6c of the California Civil Code

**SEE TAX REPORT
TABLE OF CONTENTS**

Property Tax Estimator

Supplemental Tax Bill Estimator

Description of Current Property Tax Charges



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007

Report Number: 150878

SECTION 1

JCP STATUTORY MAP READING DETERMINATIONS AND DISCUSSIONS SUMMARY

The statutory Natural Hazard Disclosure Statement on page one of this report does not provide for informing purchasers if the property is only partially within any of the delineated zones or provide additional flood zone information which could be very important to the disclosure process. This summary of JCP's map reading used to complete the statutory form in this report is provided here to give buyers the additional information they may need to help them in the decision making process and to place the information in perspective.

◦ ◦ ◦ SPECIAL FLOOD HAZARD AREA ◦ ◦ ◦

Determination

NOT IN a Special Flood Hazard Area. IN a FEMA-designated Flood Zone X. If the property is located in or partially in any Zone A or V, lenders are federally required to have homeowners purchase and maintain flood insurance.

Discussion

Property in a Special Flood Hazard Area "A" or "V" is subject to flooding in a "100-year rainstorm." Federally connected lenders are required to have homeowners maintain flood insurance in these zones. A 100-year flood occurs on average once every 100 years, but may not occur in 1,000 years or may occur in successive years. Other types of flooding, such as dam failure, are not considered in developing these zones. In some cases, the insurance requirement may be waived or modified by obtaining a "Letter of Map Revision" (LOMR) or "Letter of Map Amendment" (LOMA) from the Federal Emergency Management Agency (FEMA). This might be possible where flooding is shallow and fill was placed on the site, appropriate flood control measures were taken, or only the lot and no part of the structure is in the zone. Contact FEMA directly for more information. Flood insurance for properties in Zones B, C, X or D is available but is not required.

For more information about flood zones, visit <http://www.floodsmart.gov/floodsmart/pages/riskassessment/floodzonesdefined.jsp>

Zones X: An area of moderate to minimal flood risk.

Zones C, D: NOT IN an area of "100-year" flooding. Area of minimal (Zone C) or undetermined (Zone D) flood hazard.

PUBLIC RECORD: Official Flood Insurance Rate Maps ("FIRM") compiled and issued by FEMA pursuant to 42 United States Code §4001, et seq.

◦ ◦ ◦ AREA OF POTENTIAL FLOODING (DAM FAILURE) ◦ ◦ ◦

Determination

Not in an area of potential dam inundation.

Discussion

These areas are subject to potential flooding in the event of a sudden and total failure of a dam and injury could occur as a result. Most areas are defined assuming an instantaneous dam failure with a full reservoir. However, dams rarely fail instantaneously and reservoirs are not always filled to capacity. Not all dams in the state have inundation zones mapped. There may be exceptional conditions where such a map was not required by the OES; therefore, the zones are not delineated.

PUBLIC RECORD: Official dam inundation maps adopted by The State of California Office of Emergency Services ("OES") pursuant to California Government Code §8589.5

◦ ◦ ◦ VERY HIGH FIRE HAZARD SEVERITY ZONE (VHFHSZ) ◦ ◦ ◦

Determination

Not in a very high fire hazard severity zone.

Discussion

VHFHSZs are defined by the California Department of Forestry and Fire Protection (CDF) and local fire authorities in "Local Responsibility Areas" where fire suppression is the responsibility of a local fire department. In these zones properties may have a higher risk for fire damage and are required to have a "Class A" roof for new construction or replacement of existing roofs. In addition, the property must be maintained in a fire-resistant condition through adequate vegetation clearance around and above the structure, spark screens on chimneys and stovepipes, leaf removal from roofs, and other basic fire-safety practices within 30 to 100 feet of a structure or up to the property line, or at a greater distance if required by state law, or local ordinance, rule, or regulation. Contact your fire department for a complete list of requirements and exceptions.



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007

Report Number: 150878

PUBLIC RECORD: Official maps issued by the California Department of Forestry and Fire Protection (CDF) pursuant to California Public Resources Code § 51178

◦ ◦ ◦ WILDLAND FIRE AREA (STATE RESPONSIBILITY AREA) ◦ ◦ ◦

Determination

Not in a state responsibility area.

Discussion

A wild land area where the CDF's fire protection services are responsible for suppressing fires is called a "State Responsibility Area" (SRA). These are generally rural areas where a significant wild land fire potential exists. Unless the county has assumed the fire suppression responsibility or has an agreement with a local fire agency, property owners in an SRA are responsible for organizing structural fire protection services. Such information is not available on maps; therefore, it can't be provided here. Property owners in an SRA are required to maintain adequate vegetation clearance around and above the structure, spark screens on chimneys and stovepipes, and other basic fire-safety practices. Contact your fire department for a complete list of requirements and exceptions.

PUBLIC RECORD: Official maps issued by the California Department of Forestry and Fire Protection (CDF) pursuant to California Public Resources Code § 4125.

◦ ◦ ◦ EARTHQUAKE FAULT ZONE ◦ ◦ ◦

Determination

Not in an earthquake fault zone designated pursuant to the Alquist-Priolo Act.

Discussion

Earthquake Fault Zones are delineated and adopted by California as part of the Alquist-Priolo Earthquake Fault Zone Act of 1972. Property in an Earthquake Fault Zone does not necessarily have a fault trace existing on the site. Earthquake Fault Zones are areas or bands delineated on both sides of known active earthquake faults. In some places, the zones are more than one-quarter of a mile wide. The potential for "fault rupture" damage (ground cracking along the fault trace) is relatively high only if a structure is located directly on a fault trace. If a structure is not on a fault trace, shaking will be the primary effect of an earthquake. During a major earthquake, shaking will be strong in the vicinity of the fault and may be strong at some distance from the fault depending on soil and bedrock conditions. It is generally accepted that properly constructed wood-frame houses are resistant to shaking damage.

PUBLIC RECORD: Official earthquake fault zone or special study zone maps approved by the State Geologist and issued by the California Department of Conservation, California Geological Survey pursuant to California Public Resources Code §2622.

◦ ◦ ◦ SEISMIC HAZARD MAPPING ACT ZONE ◦ ◦ ◦

Determination

Map Not Available Map Not Available

Discussion

Seismic Hazard Zone maps delineate areas subject to earthquake hazards. The hazards currently addressed are liquefaction and earthquake induced landslides.

Liquefaction Hazard Zones are areas where there is a potential for, or an historic occurrence of liquefaction. Liquefaction is a rare soil phenomenon that can occur when loose, water saturated, fine-grained sands, and silty sands that lie within 50 feet of the ground surface, are shaken in a significant earthquake. The soil temporarily becomes liquid-like and structures may settle unevenly.

Earthquake-Induced Landslide Hazard Zones are areas where there has been a recent landslide, or where the local slope, geological, geotechnical, and ground moisture conditions indicate a potential for landslides as a result of earthquake shaking.

PUBLIC RECORD: Official earthquake fault zone or special study zone maps approved by the State Geologist and issued by the California Department of Conservation, California Geological Survey pursuant to California Public Resources Code §2696.



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007

Report Number: 150878

SECTION 2

COUNTY AND CITY NATURAL HAZARD DISCLOSURE STATEMENT

The following natural hazard disclosures are provided to give local-level Seismic Safety information for the subject property. This information may be used by the local jurisdiction relative to making decisions regarding new development or additional construction. The agencies and jurisdictions who develop the official maps do not necessarily define or delineate hazards in the same way. A site can be *in* a hazard zone from one source and *not in* a hazard zone from another source.

CONTRA COSTA County Geologic and Seismic Zone Determination

Based on the officially adopted county-level Seismic Safety Element natural hazard maps, the subject property is:

This property is within one-eighth of one mile of a mapped fault, in an area of low liquefaction potential, not in a mapped landslide deposit.

NOTE: If the site is in a locally mapped hazard zone or if information of concern exists in another source, the property may require a geologic study prior to any new or additional construction. The disclosures above are material facts and should prudently be disclosed to buyers in addition to the Statutory Natural Hazard Disclosures. Additional sources of information which are not officially adopted, may be available at the local jurisdiction that are not reported here.

CONTRA COSTA COUNTY GEOLOGIC ZONES DISCUSSION

The County of Contra Costa, separately from the State and Federal governments, has officially produced or adopted maps to delineate potential geologic and seismic hazards that are recognized at the local level. Those hazard maps are incorporated into the Seismic Safety Element of the General Plan, adopted by the County Board of Supervisors in 1991. The local-level disclosure in this report was based on the following official County map(s): "Preliminary Photointerpretation Map of Landslides and Other Surficial Deposits of [various] Quadrangles, Contra Costa and Alameda Counties, California," prepared by T. H. Nilson (incorporated by reference into the Safety Element of the General Plan).

The hazard zones delineated on the above map source, in addition to the statutorily-required State and Federal hazard maps, are typically considered by the County when approving land use and development permit applications under County jurisdiction. Additional maps exist in the General Plan and other maps, including updated versions of the above-referenced map(s), may exist in the files of specific County departments. Those additional map sources were not consulted for this disclosure because parcel-level details cannot be resolved at the scale and quality of the available official map, or the map is inappropriate for application to this report, or the map has not yet been officially adopted and incorporated into the County's Safety Element. As mapping technology advances, this company later may determine that some additional map sources become usable for parcel-level disclosure. The mapped County hazard zones represent evaluations of generalized hazard information. Any specific site within a mapped zone could be at less or more relative risk than is indicated by the zone designation. If a site-specific evaluation is desired, this company recommends that a geotechnical consultant be retained to study the site and issue a report.

The official County-level information addresses the potential geologic and seismic hazards itemized below:

- High Ground-Shaking Intensity Areas are defined as high geologic hazard zones by the county, but maps showing these areas are currently unavailable at a scale that permits disclosure on an individual property basis. Ground-shaking intensity is a factor of soil type and condition under the property, water content of the soil, distance to the earthquake epicenter and other conditions.
- Inactive faults are faults without evidence of recent surface displacement (fracturing along the fault trace) and are not considered to be a high hazard by the county. Such faults are not shown on the county maps, but building setbacks may be required by the county or city prior to construction near them due to information contained in city or county records and other sources.
- Areas characterized by slopes greater than 15 percent and/or generally unstable geologic rock types are considered "landslide prone" areas by Contra Costa County, but are not shown on the county maps. Development on open hillsides and significant ridgelines through-out the County is restricted, and hillsides with a grade of 26 percent or greater are protected from development through zoning measures and other actions by Contra Costa County.

FAULT

Earthquake Faults are divided into three categories: active faults, potentially active faults and inactive faults. "Active faults" have been determined to have ruptured (cracked along the fault trace) the ground surface during Holocene geologic time (the last 11,000 years). "Potentially active" faults have displaced Quaternary geologic units (rocks and sediments formed in the last 2 million years). Alquist-Priolo



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , **APN:** 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007

Report Number: 150878

Earthquake Fault Zones (active faults) are included on the county fault maps, as well. Inactive fault traces are not shown. Faults have been buffered by one-eighth of one mile on all sides. If the Property is situated within the resulting fault zone, "WITHIN" shall be reported.

LANDSLIDE

Landslide Deposit Areas are landslide deposits mapped in the field and landslides mapped by air-photo interpretation. Properties in these areas are subject to some risk of damage due to slope failure. Site studies are necessary before judgments are made about the slope stability of the property.

LIQUEFACTION POTENTIAL

Generally **High** Liquefaction Potential Areas refer to areas where certain types of subsurface materials may settle and spread laterally during earthquake shaking. If the water table is close to the ground surface and the subsurface material is loose and lacks cohesion (sandy soils and sediments), the ground may become soft and liquid-like during earthquake shaking.

Generally **Moderate** Liquefaction Potential Areas and areas of lower potential are NOT considered to be high geologic hazard areas by the County. The potential for these geotechnical hazards and problems in lower hazard zones is a great deal less than in zones of high hazard. For an explanation of liquefaction, see the liquefaction section above. *Please note that all portions of the county that are not designated either a Generally High or Moderate Liquefaction Potential Area are considered to be in a Generally Low Liquefaction Potential Area.*



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007

Report Number: 150878

City of WALNUT CREEK Geologic and Seismic Zone Determination

Based on the officially adopted city-level Seismic Safety Element natural hazard maps, the subject property is:
This property is not within a mapped fault zone or within one-eighth of one mile of a mapped fault trace, in a designated landslide deposit, not in a mapped liquefaction zone.

CITY OF WALNUT CREEK DISCUSSION

The City of Walnut Creek, separately from the County, State and Federal governments, has officially produced or adopted maps to delineate potential hazards that are recognized at the local level. Those hazard maps are incorporated into the Public Safety Element of the General Plan, adopted by the Walnut Creek City Council. The local-level disclosure in this report was based on the following official local map(s): "Environmental Hazards" (incorporated by reference into the General Plan).

The hazard zones delineated on the above map source, in addition to the statutorily-required State and Federal hazard maps, are typically considered by the City when approving land use and development permit applications under City jurisdiction. Additional maps exist in the General Plan and other maps, including updated versions of the above-referenced map(s), may exist in the files of specific municipal departments. Those additional map sources were not consulted for this disclosure because parcel-level details cannot be resolved at the scale and quality of the available official map, or the map is inappropriate for application to this report, or the map has not yet been officially adopted and incorporated into the City's Safety Element. As mapping technology advances, this company later may determine that some additional map sources become usable for parcel-level disclosure. The mapped City hazard zones may have been compiled from multiple sources of differing quality and, in some instances, have been generalized and simplified. No special field studies were conducted to verify the information for this subject property. Any specific site within a mapped zone could be at less or more relative risk than is indicated by the zone designation. If a site-specific evaluation is desired, this company recommends that a geotechnical consultant be retained to study the site and issue a report. The risk of exposure can be reduced through appropriate land-use planning, development engineering, and building construction practices.

The City of Walnut Creek is subject to natural hazards such as seismic activity and flooding. The risk of exposure can be reduced through appropriate land use planning, development engineering, and building construction practices. The City of Walnut Creek Public Safety Element discusses the varying levels of seismic and flood risk within the City Planning Area.

FAULT

Although no major earthquakes have occurred in Walnut Creek, several minor earthquakes have rumbled through the planning area. These earthquakes and their associated impacts are attributed to the active Concord Fault System located to the east along Lime Ridge, and the Franklin Fault (part of the Calaveras Fault System) located to the west. Fault locations are approximate in some areas due to the difficulty and cost involved in further studies. The California Geological Survey has mapped a zone for the Concord Fault, but the location of the Franklin Fault is based on a tectonic model and not on actual field investigations. While the boundaries of the Concord fault have been defined by the city, the fault trace for the Franklin fault has been buffered by one-eighth of one mile on all sides. If any portion of the Property is situated within either the defined Concord fault zone or the resulting Franklin fault zone, "WITHIN" shall be reported.

LANDSLIDE

Landsliding is a process involving the sudden downhill movement of a mass of soil and rock. Earthquakes can trigger slides by causing failures in slopes. Slide hazards are concentrated in the ridge areas, including Shell Ridge, Lime Ridge, Acalanes Ridge, and Sugarloaf Hill. The Lime Ridge area, due to the nature of the rock and the steepness of slopes, has a relatively higher landslide risk than other hillside areas.

LIQUEFACTION

Liquefaction is caused by a vibrational disturbance of the soil, such as that generated by earthquake shaking, this geologic hazard occurs when loose, wet, granular soils such as sand and silts become strained due to the shear stresses produced by seismic waves. If the soil is saturated and the pore water is unable to drain, the particles become suspended in the water, lose their bonding ability and temporarily enter a liquid or "quicksand" state. Liquefaction can generate sliding on extremely low-angle slopes (less than 5%) and cause settlement or the lateral spreading of level ground. These conditions can cause foundation materials to lose their strength. Liquefaction potential for the Walnut Creek Planning Area was derived from several assumptions since precise information exists on a project-specific basis only.

• • • **END OF LOCAL AREA DISCLOSURES AND DISCUSSIONS SECTION** • • •



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007
Report Number: 150878

SECTION 3

FORMER MILITARY ORDNANCE SITE DISCLOSURE

Determination

The subject property is **NOT WITHIN** one mile of a Formerly Used Defense (FUD) site containing military ordnance.

Discussion

FUD sites can include sites with common industrial waste (such as fuels), ordnance or other warfare materiel, unsafe structures to be demolished, or debris for removal. NOTE: most FUDS sites do not contain unexploded ordnance. California Civil Code 1102 requires disclosure of those sites containing unexploded ordnance. "Military ordnance" is any kind of munition, explosive device/material or chemical agent used in military weapons. Unexploded ordnance are munitions that did not detonate. Only those FUD sites that the USACE has identified to contain Military Ordnance or have mitigation projects planned for them are disclosed in this report. Additional sites may be added as military installations are released under the Base Realignment and Closure (BRAC) Act. Active military sites are NOT included on the FUDS list.

COMMERCIAL OR INDUSTRIAL ZONING DISCLOSURE

Determination

Based on publicly-available parcel zoning records only:

The property IS within one-mile of a property that is zoned for industrial or commercial use.

Discussion

The seller of real property who has actual knowledge that the property is affected by or zoned to allow commercial or industrial use described in Section 731a of the Code of Civil Procedure shall give written notice of that knowledge to purchasers as soon as practicable before transfer of title (California Civil Code Section 1102.17). The Code of Civil Procedure Section 731a defines industrial use as areas in which a city and/or county has established zones or districts under authority of law wherein certain manufacturing or commercial or airport uses are expressly permitted. The "Zoning Disclosure" made in this report **DOES NOT** purport to determine whether the subject property is or is not affected by a commercial or industrial zone. As stated above, that determination is based solely upon ACTUAL KNOWLEDGE of the seller of the subject property.

In an effort to help determine areas where this may be applicable, this disclosure identifies if a property exists within one mile of the seller's property that is zoned to allow for commercial or industrial use. Very commonly, a home will have in its vicinity one or more properties that are zoned for commercial or industrial use such as restaurants, gasoline stations, convenience stores, golf courses, country club etc.



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , **APN:** 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007
Report Number: 150878

AIRPORT INFLUENCE AREA DISCLOSURE

Determination

Based on certain mapped Airport Influence Areas determined by a County Airport Land Use Commission, the following determination can be made:

The property is NOT IN an officially-designated Airport Influence Area (AIA) and is NOT WITHIN two (2) statute miles of an airport for which no AIA has been officially designated.

Discussion

Certain airports are not disclosed in this report. JCP has made a good faith effort to identify the airports covered under Section 1102.6a. Sources consulted include official land use maps and/or digital data made available by a governing ALUC or other designated government body. Most facilities for which an Airport Influence Area has been designated are included on the "California Airports List" maintained by the California Department of Transportation's Division of Aeronautics. Not disclosed in this report are public use airports that are not in the "California Airports List", airports that are physically located outside California, heliports and seaplane bases that do not have regularly scheduled commercial service, and private airports or military air facilities unless specifically identified in the "California Airports List". **If the seller has actual knowledge of an airport in the vicinity of the subject property that is not disclosed in this report, and that is material to the transaction, the seller should disclose this actual knowledge in writing to the buyer.**

JCP uses official land use maps and/or digital data made available by governing ALUC or other designated government body. Most facilities for which an Airport Influence Area has been designated are included on the "California Airports List" maintained by the California Department of Transportation's Division of Aeronautics. The inclusion of military and private airports varies by County, and heliports and seaplane bases are not included, therefore, airports in these categories may or may not be included in this disclosure.

NOTE: Proximity to an airport does not necessarily mean that the property is exposed to significant aviation noise levels. Alternatively, there may be properties exposed to aviation noise that are greater than two miles from an airport. Factors that affect the level of aviation noise include weather, aircraft type and size, frequency of aircraft operations, airport layout, flight patterns or nighttime operations. Buyer should be aware that aviation noise levels can vary seasonally or change if airport usage changes.

AIRPORT NOISE DISCLOSURE

Determination

Based on certain 65 decibel (dB) Community Noise Equivalent Level (CNEL) contour maps produced under the Federal Aviation Administration's *Airport Noise Compatibility Planning Program* Part 150, the following determination has been made:

The property IS NOT within a delineated 65 dB CNEL or greater aviation noise zone.

Discussion

The seller(s) of real property who has (have) actual knowledge that the property in the transaction is affected by airport use must give written notice of that knowledge, as soon as practicable, before transfer of title. (California Civil Code, Section 1102.17).

Not all airports have produced noise exposure maps. A property may be near or at some distance from an airport and not be within a delineated noise exposure area, but still experience aviation noise. Unless 65dB CNEL contour maps are published, helipads and military sites are not included in this section of the report.

NOTE: The *Airport Noise Compatibility Planning Program* is voluntary. Not all airports have elected to participate. Not all property in the vicinity of an airport is exposed to 65dB CNEL or greater average aviation noise levels. Conversely a property may be at some distance from an airport and still experience aviation noise. JCP obtains updated maps once yearly. Purchasers should be aware that aviation noise levels can vary seasonally or change if airport usage changes after a map is published or after JCP receives the updated maps within the schedule set by JCP. JCP uses the most seasonally conservative noise exposures provided. Federal funding may be available to help airports implement noise reduction programs. Such programs vary and might include purchasing properties, rezoning, and insulating homes for sound within 65dB areas delineated on CNEL maps. Airport owners have also cooperated by imposing airport use restrictions that include curfews, modifying flight paths, and aircraft limitations.



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007
Report Number: 150878

REGISTERED SEX OFFENDER DATABASE DISCLOSURE ("MEGAN'S LAW")

Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

California law (AB 488), signed by the Governor on September 24, 2004, provides the public with Internet access to detailed information on registered sex offenders. The Sex Offender Tracking Program of the California Department of Justice (DOJ) maintains the database of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.46 of the Penal Code. The online database is updated with data provided by local sheriff and police agencies on an ongoing basis. It presents offender information in 13 languages; may be searched by a sex offender's specific name, zip code, or city/county; provides access to detailed personal profile information on each registrant; and includes a map of your neighborhood.

California Department of Justice Information Sources:

Megan's Law Sex Offender Locator Web Site: <http://www.meganslaw.ca.gov>
California Department of Justice Megan's Law Email Address: meganslaw@doj.ca.gov

Local Information Locations For The Subject Property:

All sheriffs' departments and every police department in jurisdictions with a population of 200,000 or more are required to make a CD-ROM available free to the public for viewing. Although not required, many other law enforcement departments in smaller jurisdictions make the CD-ROM available as well. Please call your local law enforcement department to investigate availability.

According to current records your local law enforcement department phone number is N/A.

The following are the law enforcement departments in your county that are REQUIRED to make information available:

Contra Costa County Sheriff's Department

(925) 335-1570

Explanation and How to Obtain Information

For over 50 years, California has required certain sex offenders to register with their local law enforcement agencies. However, information on the whereabouts of the sex offenders was not available to the public until implementation of the Child Molester Identification Line in July 1995. The available information was expanded by California's "Megan's Law" in 1996 (Chapter 908, Stats. of 1996). Megan's Law provides certain information on the whereabouts of "serious" and "high-risk" sex offenders. The law specifically prohibits using the information to harass or commit any crime against the offender. The information on a registered sex offender includes: name and known aliases; age and sex; physical description, including scars, marks and tattoos; photograph, if available; crimes resulting in registration; county of residence; and zip code (from last registration). Accessing the online database requires your agreement with the DOJ's terms of use web page.



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007

Report Number: 150878

SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION DISCLOSURE (Applicable Only in Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties)

Determination

Based on certain mapped coastal zones determined by the San Francisco Bay Conservation and Development Commission (BCDC), the following determination can be made:

The property is NOT IN the jurisdiction of the San Francisco Bay Conservation and Development Commission, as defined in Section 66620 of the Government Code.

NOTE: The official BCDC jurisdictional maps issued by the BCDC are electronic documents generally of low resolution and poor quality. As defined by the BCDC, its jurisdiction spans a complexity of ever-changing geographic and topographic environments including: (1) tidal areas of San Francisco Bay; (2) a 100-foot-wide shoreline band that extends inland from the upper edge of the BCDC's San Francisco Bay jurisdiction; (3) certain named waterways that empty into San Francisco Bay; (4) salt ponds adjacent to the Bay; and (5) certain managed wetlands as well as the Suisun Marsh. The BCDC-issued maps are not adequate for determining confidently the proximity of the BCDC-defined jurisdictional boundaries to nearby parcels. Therefore, all parties in the transaction are advised that there is some uncertainty inherent in the "NOT IN" determination made above.

Discussion

As of July 1, 2005, Civil Code Section 1103.4 mandates disclosure to buyers of certain real estate if that property is located within the jurisdictional boundaries of the BCDC. Notice is required to prevent unknowing violations of the law by new owners who were unaware that certain activities on the real property are subject to the BCDC's permit requirements.

The BCDC has issued maps for some parts of its jurisdiction, including the San Francisco Bay Plan maps (California Code of Regulations, Title 14, Section 10121) and the Suisun Marsh Plan maps (Nejedly-Bagley-Z'berg Suisun Marsh Preservation Act of 1974). Official maps have not been issued for other parts of the BCDC jurisdiction (McAteer-Petris Act areas) because the Bay is a highly dynamic environment and the shoreline changes over time (in part because the sea level also changes over time). In those areas where official BCDC maps are not available or along the edges of the BCDC's mapped jurisdiction, to meet the disclosure requirements, this report will indicate that the property "could be within" the BCDC's jurisdiction and that a location-specific jurisdictional determination should be made by consulting the BCDC. This determination of "could be within" the BCDC's jurisdiction was recommended by the BCDC in that certain Memo entitled "Guidance on Determining Commission Jurisdiction Pursuant to Senate Bill 1568" issued in February 2005 and posted on the BCDC website.



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007
Report Number: 150878

California Energy Commission Duct Sealing & Testing Requirement

Based on certain climate zone maps issued by the California Energy Commission, the following determination is made:

Determination: The Property is IN a designated climate zone in which properties are usually subject to duct sealing and testing requirements set forth by the California Energy Commission.

Discussion:

According to the California Energy Commission ("CEC") most California homes have improperly sealed central air conditioning and heating system ducts such that approximately 30 percent of the conditioned air actually leaks outside the home.

Effective October 1, 2005, in order to combat this waste of energy and money, the CEC set forth new duct sealing and testing requirements in Title 24 of the Building Energy Efficiency Standards. Title 24 requires that, in specific climate zones as designated by the CEC, **when a central air conditioner or furnace is installed or replaced**, homeowners must have ducts tested for leaks. Ducts found to leak more than 15 percent or more must be repaired. Once a contractor tests and fixes these ducts, you must have an approved third-party verifier determine that the ducts have been properly sealed. The CEC cautions homeowners that a contractor who fails to obtain a required building permit and fails to test and repair your ducts "is violating the law and exposing you to additional costs and liability." If you do not obtain a permit, you may be required to bring your home into compliance with code requirements for that work and may incur additional penalties and fines that have to be paid prior to selling your home. Remember that you have a duty to disclose whether you obtained required permits for work performed to prospective buyers and appraisers.

Local governments may mandate more stringent requirements; however, please be advised that duct sealing and associated testing is generally not required:

- if homes are located in specific coastal climates;
- when systems have less than 40 feet of ductwork in unconditioned spaces such as attics, garages, crawlspaces, basements, or outside the building; or
- when ducts are constructed, insulated, or sealed with asbestos.

Please note there are specific alternatives that allow high efficiency equipment and added duct insulation to be installed instead of fixing duct leaks. Please also be advised that there are separate regulations which govern duct insulation levels required by climate zone and HVAC system.

For more information on these requirements, please contact the California Energy Commission or visit the official CEC "2005 HVAC Change-Out Information" portal at <http://www.energy.ca.gov/title24/changeout/>



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , **APN:** 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007
Report Number: 150878

ADVISORIES

METHAMPHETAMINE CONTAMINATED PROPERTY DISCLOSURE ADVISORY

According to the "Methamphetamine Contaminated Property Cleanup Act of 2005" a property owner must disclose in writing to a prospective buyer if local health officials have issued an order prohibiting the use or occupancy of a property contaminated by meth lab activity. The owner must also give a copy of the pending order to the buyer to acknowledge receipt in writing. Failure to comply with these requirements may subject an owner to, among other things, a civil penalty up to \$5,000. Aside from disclosure requirements, this new law also sets forth procedures for local authorities to deal with meth-contaminated properties, including the filing of a lien against a property until the owner cleans up the contamination or pays for the cleanup costs.

MOLD ADVISORY

The Buyer is hereby advised that naturally occurring molds may exist both inside and outside of any home and may not be visible to casual inspection. Persons exposed to extensive mold levels can become sensitized and develop allergies to the mold or other health problems. Extensive mold growth can damage a structure and its contents. All prospective purchasers of residential and commercial property are advised to thoroughly inspect the subject property for mold. Be sure to inspect the property inside and out for sources of excess moisture, current water leaks and evidence of past water damage.

As part of a buyer's physical inspection of the condition of a property, the buyer may consider engaging an appropriate and qualified professional to inspect and test for the presence of harmful molds and to advise the buyer of any potential risk and options available. This advisory is not a disclosure of whether harmful mold conditions exist at a property or not. JCP has not performed testing or inspections of any kind. Any use of this form is acknowledgement and acceptance that JCP does not disclose, warrant or indemnify mold conditions at a property in any way and is not responsible in any way for mold conditions that may exist. Information is available from the California Department of Health Services Indoor Air Quality Section fact sheet entitled, "Mold in My Home: What Do I Do?" The fact sheet is available at www.cal-iaq.org or by calling (510) 540-2476.

The Toxic Mold Protection Act of 2001 requires that information be developed regarding the potential issues surrounding naturally occurring molds within a home. Information was written by environmental authorities for inclusion in the *Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants* booklet developed by the California Environmental Protection Agency and the Department of Health Services. It is found in Chapter VI of that booklet, and includes references to sources for additional information.

For local assistance, contact your county or city Department of Health, Housing, or Environmental Health.



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007
Report Number: 150878

RADON ADVISORY

For its Radon Advisory, JCP uses the updated assessment of radon exposure published in 1999 by the Lawrence Berkeley National Laboratory (LBNL) and Columbia University, under support from the U.S. Environmental Protection Agency (EPA), the National Science Foundation, and the US Department of Energy (published online at <http://eetd.lbl.gov/IEP/high-radon/USgm.htm>). Based on this recent assessment, JCP's radon advisory is as follows:

All of California's 58 counties have a predicted median annual-average living-area concentration of radon below 2.0 pCi/L (picocuries per liter of indoor air) -- which is well below the EPA's guideline level of 4 pCi/L and equivalent to the lowest hazard zone (Zone 3) on the 1993 EPA Map of Radon Zones

The "median concentration" means that half of the homes in a county are expected to be below this value and half to be above it. All houses contain some radon, and a few houses will contain much more than the median concentration. The only way to accurately assess long-term exposure to radon in a specific house is through long-term testing (sampling the indoor air for a year or more). The EPA recommends that all homes be tested for radon. Columbia University's "Radon Project" website offers help to homeowners in assessing the cost vs. benefit of testing a specific house for radon or modifying it for radon reduction (see <http://www.stat.columbia.edu/radon/>).

NOTE: JCP does not use the EPA's 1993 map for advisory purposes because that map shows "short-term" radon exposure averaged by county. It was based on "screening measurements" that were intentionally designed to sample the worst-case conditions for indoor air in US homes--using spot checks (sampling for just a few days), in the poorest air quality (with sealed doors and windows), at the worst time of the year (winter), in the worst part of the house (the basement, if one was available). These short-term, winter, basement measurements are both biased and variable compared to long-term radon concentrations (averaged over a year) in the living area of a house. Long-term concentrations are a more accurate way to judge the long-term health risk from radon. For the above reasons, the EPA expressly disclaims the use of its 1993 map for determining whether any house should be tested for radon, and authorizes no other use of its map for property-specific purposes. For additional information about EPA guidelines and radon testing, see "Chapter VII--Radon", in the California Department of Real Estate's *Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants*.



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007

Report Number: 150878

Endangered Species Act Advisory

The Federal Endangered Species Act of 1973 ("ESA"), as amended, requires that plant and animal species identified and classified ("listed") by the Federal government as "threatened" or "endangered" be protected under U.S. law. Areas of habitat considered essential to the conservation of a listed species may be designated as "critical habitat" and may require special management considerations or protection. All threatened and endangered species -- even if critical habitat is not designated for them -- are equally afforded the full range of protections available under the ESA.

In California alone, over 300 species of plants and animals have been designated under the ESA as threatened or endangered, and over 80 species have critical habitats designated for them. Most California counties are host to a dozen or more protected species and, in many cases, 10 or more species have designated critical habitats within a county.

ADVISORY

An awareness of threatened and endangered species and/or critical habitats is not reasonably expected to be within the actual knowledge of a seller.

No Federal rule, California statute, Department of Real Estate regulation, or other law requires a seller or seller's agent to disclose threatened or endangered species or critical habitats, or investigate their possible existence, on real property. Therefore, Buyer is advised that, prior to purchasing a vacant land parcel or other real property, Buyer should consider the need to investigate the existence of threatened or endangered species, or designated critical habitats, on or in the vicinity of the parcel, which could affect the use of the property or the success of any proposed (re)development.

For more information

Complete and current information about the threatened and endangered species in California that are Federally listed in each county -- including all critical habitats designated there -- is available on the website of the U.S. Fish & Wildlife Service, the Federal authority which has enforcement responsibility for the ESA.

For Northern California visit:

http://www.fws.gov/sacramento/es/spp_lists/auto_list_form.cfm

For Southern California visit:

http://www.fws.gov/carlsbad/CFWO_Species_List.htm



JCP Property Disclosure Reports The JCP Natural Hazard Disclosure Report FOR CONTRA COSTA COUNTY

Property Address: 6406 HORSEMANS CANYON DR , APN: 189-850-013-5
WALNUT CREEK, CONTRA COSTA County, CA **Date:** 08/27/2007

Report Number: 150878

JCP Services Section ••

Any use of this report is an acknowledgement of and an agreement to abide by the terms stated in this section. For the Natural Hazard Disclosures, JCP Property Disclosure (JCP) examines only the following maps: (a) NFIP Flood Insurance Rate Maps, (b) California Office of Emergency Services Dam Failure Inundation maps, (c) Real Estate: disclosure (CDF) fire maps, (d) Seismic Hazards Mapping Act maps, (e) geologic and seismic hazard maps adopted by the county as part of its General Plan's Safety Element, (f) geologic and seismic hazard maps adopted by the city as a part of its General Plan's Safety Element, (g) LOMR's or LOMA's (made available to us), for location of the above property as identified by the seller or seller's agent. JCP relies on these official sources for the information in this report and does not produce, maintain or verify the information. Our services include, where appropriate, use of the assessors rolls, cadastral-type maps, photographic enlargements of maps and various cartographic techniques to locate the site on the appropriate map. The determination is made as accurately as reasonably possible using these said maps. For purposes of defining property lines, the assessor's parcel number and parcel maps are used. Any errors in the assessor's rolls may affect the determination procedures.

Decisions by jurisdictions relative to required studies, reports, etc. may be made using the same information sources used in the disclosures in this report, as well as information in their files and/or local ordinances and procedures. The disclosure information in this report is not a substitute for a geologic or engineering study, nor can it be construed that a city or county will not require such studies. No visual examination of the subject site was performed nor was a study of any jurisdiction's files or other sources made to determine the existence of any hazard which may exist on the site. This report is for the purpose of certain map-based real estate transaction disclosures only and is not a substitute for the broker/agent property inspection.

Military ordnance disclosures were provided using Department of Defense data sources that JCP neither produces nor maintains. JCP cannot accept liability for the accuracy of the information derived from these public data sources. No on-site inspection was performed.

JCP performs services for the real estate agent/broker and current owner. This report is for residential property only and is for the exclusive use of the contractual parties, their broker/agent(s), and the current owner's sale for which it is issued. Due to changes in tax districts, disclosure maps, laws and contractual parties, this report cannot be relied upon for other properties nor for future transactions of the subject property. All parties should be aware that the information is subject to change. JCP is not responsible for advising parties of any changes that may occur after the date of this report. As a courtesy, JCP will update this report at no cost during the single transaction process for which this report was issued, if requested. JCP shall not be liable to anyone who may claim any right through his/her relationship with the agent, except when acts or omissions are due to willful misconduct or negligence by JCP.

Reproduction of this report is permitted only for the purpose of fulfilling the seller's disclosure duty to the buyer in the transaction of the real property at the subject address noted herein. Any other reproduction, facsimile, or republication of this report is expressly prohibited and is a violation of the copyrights, trademarks and service marks of the JCP Property Disclosure, and will be prosecuted to the fullest extent of the law. **The Company shall assume no liability unless and until the fee for this (these) report(s) is paid in full.**

This JCP Report includes a statutory Natural Hazard Disclosure Statement as legislated in California Civil Code 1103. The delivery of this report is sufficient compliance for the legal exemption that states neither the seller nor any listing or selling agent will be liable for any error in this information as long as ordinary care is exercised in transmitting it and they have no personal knowledge of errors (California Civil Code 1103.4).

This report is not an insurance policy and is not a substitute for the buyer obtaining Property & Casualty Insurance Policies which will provide coverage against losses incurred as a result of earthquakes, fires, flooding, environmental hazards, or any other kinds of risks associated with the property. If any party to this transaction has concerns relative to the stability or condition of the property or if "red flags" are observed during any party's inspection, an appropriate professional should be retained to study the site and render an opinion.

STATUTORY PROPERTY TAX REPORT

Special Assessment and Special Tax Disclosure

<p>Parcel Number: 189-850-013-5</p> <p>Property Address: 6406 Horsemans Canyon Dr , Walnut Creek, Ca 94595</p> <p>County: Contra Costa</p> <p>Report Date: 8/24/2007</p>	<p>The information contained in this report is intended for the exclusive benefit and use of the recipient(s). No person other than the recipient(s) should rely upon, refer to, or use this report, or any information contained within this report, for any purpose. The recipient(s) should carefully read the explanation of services, and the conditions and stipulations contained in this report. No recipient may rely on this report unless full payment for it is made.</p>
--	---

This report satisfies the Seller's obligation to disclose Mello-Roos taxes and 1915 Act assessments affecting this property pursuant to Civil Code Section 1102.6b, and is compliant with all provisions of Senate Bill 1122 and Assembly Bill 337.

CONTENTS

The following report contents meet or exceed the legal disclosure standards defined in California Civil Code Section 1102.6b:

- *Buyer's Acknowledgement Summary (Signature Required)*
- *Special Assessment Summary*
- *Seller's Secured Tax Bill Summary*
- *Statutory Notice of Special Tax/Assessment*
- *Other Special Assessments*
- *Accelerated Foreclosure Summary*
- *Available Senior Exemptions*
- *Notice of Supplemental Property Tax Bill*
- *Property Tax Estimator and Supplemental Tax Bill Estimator*
- *General Information about Your Property Tax Bill*

Buyer's Acknowledgement Summary

The information contained in this report is subject to the terms and conditions contained herein.

I (we) acknowledge that I (we) have received and read a copy of this notice. If this property is listed as subject to a Mello-Roos community facilities district special tax or a 1915 Bond Act assessment, I (we) understand that I (we) may terminate the contract to purchase or deposit receipt after receiving this notice from the owner or agent selling the property. If this property is listed as subject to a Mello-Roos community facilities district special tax or a 1915 Bond Act assessment, the contract may be terminated within three days if the notice was received in person or within five days after it was deposited in the mail by giving written notice of termination to the owner or agent selling the property.

Buyer Signature: _____ Date: _____

Buyer Signature: _____ Date: _____

Special Assessment Summary

This is a notification to you prior to your purchasing this property.

Parcel Number: 189-850-013-5
Property Address: 6406 Horsemans Canyon Dr , Walnut Creek, Ca 94595
County: Contra Costa
Report Date: 8/24/2007

The above referenced property is affected by general property taxes (called ad valorem taxes), which are based on the net assessed value of your property. The ad valorem tax is charged to every taxable property in the state and is set at 1% of the net value of property each year. This basic tax rate may be increased slightly over 1% by voter approved bond issues for your school district, city or other regional project.

In addition, the above referenced property lies within the following special tax and/or special assessment districts. These assessments and taxes will be taxed in addition to ad valorem taxes each year:

STATUS	DESCRIPTION OF TAX CATEGORY -
NO	One or more Mello-Roos Community Facilities Districts
NO	One or more 1915 Bond Act Assessment Districts
YES	Other special financing districts
YES	Other direct assessments

The following disclosure is made by the Transferor pursuant to Government Code §53341.5 and Civil Code §1102.6b. The representations made in this disclosure report are based on information provided by an independent third party report provided as a substituted disclosure pursuant to California Civil Code §1103.4. Neither the Transferor nor the Transferor's agent(s) has 1) independently verified the information contained in this report, or 2) is personally aware of any errors or inaccuracies in the information contained in this form.

Report Terms and Conditions

This report for the property named herein is a product of Alliant Tax Research, Inc. (hereafter, "Alliant") and is distributed by First American NHD. The terms and conditions listed below represent the terms and conditions under which this product is sold: The purpose of this report is to provide a determination of whether the current secured property tax bill for this parcel contains a Mello-Roos special tax or a 1915 Act Bond Assessment District charge, and to assist the Seller in fulfilling his or her duty to comply with California Civil Code §1102.6b. This report is not a substitute for a title report or title insurance and may not be relied upon as such. Items not yet levied on the tax bill, items not appearing on the current tax bill, and items removed from the current tax bill for any reason may not be reflected on this report. Estimates of future charges, if provided, are only estimates and may not be inclusive. This report is for the exclusive benefit of the specific Buyer and specific Seller for which this report was prepared and there shall be no third party beneficiaries. This report may not be used in any subsequent transaction affecting the subject property. This report is applicable to residential property only with four dwelling units or less. This report may not be relied upon for commercial or industrial property or for multi-family properties of more than 4 dwelling units.

While this report contains data gathered from what Alliant believes to be reliable sources, the amount of the levy and end year may be subject to change in the future. The Maximum Tax amount provided is an estimate, calculated based on available County assessor data or third party data. Calculations may vary from those calculated by the issuer, due to several factors including differences in interpretation of the Special Tax Formula, availability of data, and change or correction of classification from year to year. Items not included on the current year tax bill but shown on this report represent an estimate and are not intended to be comprehensive. Other taxes and assessments may exist that are not yet levied on the tax bill or not levied during the tax year on the report. This report was compiled using information obtained from the County on a given date and may not reflect changes made later by the County or the local government agencies levying charges against this property. This information is subject to change and Alliant does not have a duty to update the report for any tax bill, legislative or related changes that may occur in the future. This report was prepared based upon records provided by various governmental agencies and third parties. Alliant has assumed that these agency records are accurate and complete, but Alliant has not conducted any independent verification of their accuracy or completeness. Alliant shall not be responsible for any inaccuracies or omissions in the public records of the various governmental agencies or for information provided by third parties.

Seller's Secured Tax Bill Summary

Parcel Number: 189-850-013-5
Property Address: 6406 Horsemans Canyon Dr , Walnut Creek, Ca 94595
County: Contra Costa
Assessor's Phone #: (925) 313-7400; Tax Collector's Phone #: (925) 646-4122
Report Date: 8/24/2007

The following listing is a summary of the current year secured property tax bill. It is provided for informational purposes only. Ad valorem taxes are calculated annually based on the assessed value of the land and improvements. When a property is sold, the assessed values will be reset to the sale price. Ad valorem taxes can therefore change dramatically if the sales price differs from the current assessed value of the property.

Please Note: All information on this page is based on 2006/07 data only. Ad valorem taxes are historical and are subject to change when a home sells. No warranties are made regarding this information. The information on this page is not provided as a disclosure by seller or his/her agents.

Ad Valorem Taxes (Note: Historical only, based on the seller's tax bill)

The following include both the basic levy authorized by Proposition 13, plus any additional voter approved general obligation debt. The amount you pay will be based on the purchase price of your home less any exemptions, times the estimated tax rate.

Agency	Levy Description	Contact Phone	2006/07 Levy
County of Contra Costa	Ad Valorem Tax Basic 1% ad valorem levy on net value (Proposition 13) plus voter approved overrides	(925)646-2236	\$ 6,929.62
Total Ad Valorem Taxes:			\$ 6,929.62

Special Assessments

The following include all special assessments and special taxes included on the tax bill.

Agency	Direct Assessment Description	Contact Phone	2006/07 Levy
Contra Costa Vector Control Dist	Mosquito & Pest Control Assessment	(925) 468-7400	\$ 4.74
East Bay Regional Park District	Trail Maintenance Assessment	(925) 468-7400	\$ 5.44
County of Contra Costa	Emergency Medical Services Assessment (Zone B)	(925) 646-4690	\$ 10.00
County of Contra Costa	Drainage Benefit Assessment (Area 67A)	(925) 313-2350	\$ 12.30
City of Walnut Creek	Library Services Tax	(925) 256-3528	\$ 22.00
County of Contra Costa	Federal Stormwater Assessment (Zone A-16)	(925) 313-2238	\$ 24.50
Walnut Creek School District	School Parcel Tax (Measure C)	(925) 944-6850 x103	\$ 82.00
Acalanes Union High School District	School Parcel Tax (Measure B)	(925) 942-9608	\$ 189.00
Central Contra Costa Sanitary Dist	Sewer Service Charge	(925) 229-7115	\$ 289.00
Total Special Assessments:			\$ 638.98
Total 2006/07 Tax Bill:			\$ 7,568.60

Please refer to the Notice of Special Tax and Assessment for statutory disclosure information on the following page.

Statutory Notice of Special Tax/Assessment

To the prospective purchaser of the real property known as:	Assessor's Parcel Number: 189-850-013-5 Address/Legal Description: 6406 Horsemans Canyon Dr , Walnut Creek, Ca 94595 Report Date: 8/24/2007
--	---

This is a notification to you prior to your purchasing this property.

Mello-Roos Community Facilities Districts:

This property is subject to a special tax named below, which is in addition to the regular property taxes and any other charges and benefit assessments on the parcel. The special tax may not be imposed on all parcels within the city or county where the property is located. If you fail to pay this tax when due each year, the property may be foreclosed upon and sold. The tax is used to provide public facilities or services that are likely to particularly benefit the property.

There is a maximum tax that may be levied against this parcel each year to pay for public facilities. This amount may be subject to increase each year based on the special tax escalator listed below (if applicable). The annual tax charged in any given year may not exceed the maximum tax amount. However, the maximum tax may increase if the property use changes, or if the home or structure size is enlarged. The special tax will be levied each year until all of the authorized facilities are built and all special tax bonds are repaid. If additional bonds are issued, the estimated end date of the special tax may be extended.

The authorized facilities which are being paid for by the special taxes and the money received from the sale of the bonds are summarized below. These facilities may not yet have all been constructed or acquired and some may never be constructed or acquired.

This parcel IS NOT subject to any Mello-Roos Community Facilities District special taxes.

You should take this tax and the benefits from the public facilities and services for which it pays into account in deciding whether to buy this property. You may obtain a copy of the resolution of formation which authorized creation of the community facilities district, and which specifies more precisely how the special tax is apportioned and how the proceeds of the tax will be used, by calling the contact name and number listed above. There may be a charge for this document not to exceed the estimated reasonable cost of providing the document.

1915 Act Bond Assessment Districts:

This property is within the assessment district(s) named below. Each assessment district has issued bonds to finance the acquisition or construction of certain public improvements that are of direct and special benefit to property within that assessment district. The bonds will be repaid from annual assessment installments on property within the assessment district.

This property is subject to annual assessment installments of the assessment district that will appear on your property tax bills, but which are in addition to the regular property taxes and any other charges and levies that will be listed on the property tax bill. If you fail to pay assessment installments when due each year, the property may be foreclosed upon and sold. The annual assessment installment against this property as shown on the most recent tax bill for the 2006/07 tax year is listed in the table below. Assessment installments will be collected each year until the assessment bonds are repaid.

The public facilities that are being paid for by the money received from the sale of bonds that are being repaid by the assessments are included in the table below. These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.

This parcel IS NOT subject to any 1915 Act Bond special assessments.

You should take this assessment and the benefits from the public facilities for which it pays into account in deciding whether to buy this property. You may obtain a copy of the resolution confirming assessments that specifies more precisely how the assessments are apportioned among properties in the assessment district by calling the contact name and number listed above. There may be a charge for this document not to exceed the estimated reasonable cost of providing the document.

Other Special Assessments

This section provides detail on other assessments (aside from the Mello-Roos and 1915 Act charges identified on the prior pages) that will affect the property.

Other Special Assessment Liens/Financing:

In some instances, local government agencies may use alternate means of financing projects, including state loans, agency loans, 1911 Act assessment district bonds, other types of improvement bonds, and other methods to pay the cost of a capital project. Also, there may be other fixed schedule items on the tax bill that must be paid over a number of years. In some cases, these amounts may be prepaid. Also, for internally financed projects, the loan may need to be paid off prior to transfer of property.

Issuer and District	Purpose of District	Start Year	End Year	Contact Phone	2006/07 Levy
Acalanes Union High School District School Parcel Tax (Measure B)	Class size reduction, technology and enhanced programs (senior exemption available)	2001	2007/or renewal	Jill Ramsay (925) 942-9608	\$ 189.00
Walnut Creek School District School Parcel Tax (Measure C)	Class size reduction and school improvements (senior exemption available)	2000	2008/or renewal	Donna Ackerman (925) 944-6850 x103	\$ 82.00
City of Walnut Creek Library Services Tax	Increased library hours, updating books, materials, equipment, and maintaining educational programs	2002	2009/or renewal	Rosie Coan (925) 256-3528	\$ 22.00

Other Direct Assessments:

In addition to the items listed in the previous sections, as of the 2006/07 tax year, your property is subject to the following additional Direct Assessments that do not impose special accelerated foreclosure liens on your property.

Agency	Direct Assessment Description	2006/07 Levy	Contact Phone
East Bay Regional Park District	Trail Maintenance Assessment	\$ 5.44	Amy Roblyer (925) 468-7400
Central Contra Costa Sanitary Dist	Sewer Service Charge	\$ 289.00	Collette Curtis Brown (925) 229-7115
County of Contra Costa	Drainage Benefit Assessment (Area 67A)	\$ 12.30	Frank Scudero (925) 313-2350
Contra Costa Vector Control Dist	Mosquito & Pest Control Assessment	\$ 4.74	Amy Roblyer (925) 468-7400
County of Contra Costa	Federal Stormwater Assessment (Zone A-16)	\$ 24.50	Pamela Miller (925) 313-2238
County of Contra Costa	Emergency Medical Services Assessment (Zone B)	\$ 10.00	Art Lathrop (925) 646-4690

These direct assessments and charges will appear annually on your property tax bill. In most cases, these are subject to public notice and hearing requirements (as controlled by Proposition 218) and any increases or additions must be approved by a vote of the registered landowners (or registered voters, depending upon the specific legislation). While they do not impose an accelerated foreclosure lien, they do result in an increased annual tax rate. For additional information on a particular special assessment, please call the phone number listed above.

Accelerated Foreclosure SummarySM

Important: If any items are listed below, your property has accelerated foreclosure liens attached to it. These have priority over other property taxes, and are part of the security for a municipal bond issue (or else are part of a Mello-Roos community facilities district). The issuers of these bonds are often contractually required to monitor and collect delinquent assessments quickly. There is no five year waiting period. If you fail to pay your property tax bills when due each year, the property may be foreclosed upon and sold. **Therefore, it is important to pay your property tax bill on time. If you cannot, you should contact your lender to discuss alternate arrangements.**

Mello-Roos Community Facilities Districts:

Agency/District	2006/07 Tax Year Information
-----------------	------------------------------

No Mello-Roos Community Facilities Districts

1915 Act Bond Assessment Districts:

Agency/District	2006/07 Tax Year Information
-----------------	------------------------------

No 1915 Act Bond Districts.

Other Districts That Include (or May Include) Accelerated Foreclosure:

Agency/District	2006/07 Tax Year Information
-----------------	------------------------------

No Additional Accelerated Foreclosure Districts.

Note: Many properties in California have Mello-Roos or other bonded assessments. As a result, these properties usually have newer amenities and other benefits that may enhance property value. However, if any items are listed on this page, as a buyer it is important to pay your tax bill on time, or arrange to have your property taxes impounded, to avoid penalties or the threat of accelerated foreclosure.

Available Senior Citizen ExemptionsSM

Assessments with an available exemption:

Note: The following districts offer a senior citizen exemption for all or part of the annual assessment, which may save qualifying buyers money. Normally an application must be filed with the district and renewed annually. For details on eligibility, and how to apply, please use the contact information supplied below:

Agency	Direct Assessment Description	2006/07 Levy	Contact Phone
Walnut Creek School District	School Parcel Tax (Measure C) / Class size reduction and school improvements (senior exemption available)	\$ 82.00	Donna Ackerman (925) 944-6850 x103
Acalanes Union High School District	School Parcel Tax (Measure B) / Class size reduction, technology and enhanced programs (senior exemption available)	\$ 189.00	Jill Ramsay (925) 942-9608

Notice of Supplemental Property Tax Bill

Copyright – 2006 First American NHD

Pursuant to Civil Code §1102.6c, Seller or his or her agent is providing this “Notice of Your ‘Supplemental’ Property Tax Bill”:

California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector.

If you have any question concerning this matter, please call your local Tax Collector’s Office.”

Explanation of Supplemental Assessments

As stated in the official “Notice” above, State law requires the Assessor to reappraise property upon change in ownership or completion of new construction. The resulting supplemental assessment reflects the difference between the new value and the old value. The Auditor-Controller calculates the supplemental property tax, and prorates it, based upon the number of months remaining in the fiscal year in which the event occurred. The fiscal year runs from July 1 through June 30.

A change in ownership or new construction completion which occurs between January 1 and May 31 results in **two** supplemental assessments and **two** supplemental tax bills. The first supplemental bill is for the remainder of the fiscal year in which the event occurred. The second supplemental bill is for the subsequent fiscal year.

Notices of Assessed Value Change are normally mailed to property owners before supplemental tax bills are issued. Remember that supplemental tax bills are **in addition to** the regular annual tax bills. Supplemental bills go directly to the property owner, and not to an impound account - where one might exist.

On following of this report, a **SUPPLEMENTAL TAX BILL(S) ESTIMATOR** is provided for the buyer to **estimate** the amount of the supplemental tax bill(s). It does **NOT** include the amount of the regular secured Property Tax Bill. It is only an estimate for the buyer’s planning purposes.

Tax Estimators

Copyright – 2006 First American NHD

Property Tax Estimator

The following schedule is offered as an aid in estimating the amount of property tax that will be levied on the property this year based on an assessed valuation equal to the selling price. The estimate is not a substitute for a tax bill, nor does it anticipate new property tax charges or fees or other changes in property tax rates for the next tax year.

1	Estimated Sales Price	• 1	\$	
2	Estimated Ad Valorem Tax Rate	• 2	\$	0.01069
3	Multiply line 1 by line 2. This is your Estimated Ad Valorem Taxes	• 3	\$	
4	Direct / Special Assessments.	• 4	\$	638.98
5	Add lines 3 and 4. This is your Estimated Total Annual Property Tax Amount	• 5	\$	

NOTE: The amount estimated on Line 5 **may not** appear on the first annual property tax bill because reassessment by the county is not immediate. For that reason you may receive one or two **Supplemental Tax Bill(s)** that are independent of the regular annual property tax bill until the new assessed value is included on the annual property tax bill. To estimate the amount of the Supplemental Tax Bill(s), use the form below.

Supplemental Tax Bill Estimator

The following schedule is provided for you to **estimate** the potential amount of the supplemental **ad valorem** tax on a given property. It does **NOT** include the amount of the regular annual Property Tax. This provides an estimate of the "Supplemental Property Tax Bill(s)" that you can expect to receive during the first year of ownership, and is for your planning purposes only.

1	Estimated Sales Price	• 1	\$	
2	Estimated Current Assessed Value	• 2	\$	648,356.00
3	Subtract line 2 from line 1. This is your Estimated Supplemental Assessed Value	• 3	\$	
4	Multiply line 3 by 0.01069 (The Estimated Ad Valorem Tax Rate for your property) This is your Estimated Full-Year Supplemental Tax Obligation	• 4	\$	

Supplemental Tax Estimator continued on following page

Supplemental Tax Bill Estimator (continued)

If your Close of Escrow falls during the months of January through May, you will receive TWO Supplemental Tax Bills, one for the current partial tax year and one for the next full tax year. Estimate the Supplemental Tax Bill amounts with lines 5 through 8 below:

5	Enter the factor for the Month of Sale from TABLE 1 below.	• 5	\$	
6	Multiply line 4 by line 5. This is the amount of your estimated Supplemental Tax Bill # 1	• 6	\$	
7	Enter the amount on line 4. This is the amount of your estimated Supplemental Tax Bill # 2	• 7	\$	
8	Add lines 6 and 7. This is your total estimated Supplemental Tax Bill	• 8	\$	

If your Close of Escrow falls during the months of June through December, you will receive ONE Supplemental Tax Bill. Estimate the Supplemental Tax Bill amount with lines 9 and 10 below:

9	Enter the factor for the Month of Sale from TABLE 2 below.	• 9	\$	
10	Multiply line 4 by line 9. This is the amount of your total estimated Supplemental Tax Bill	• 10	\$	

Table 1. Month of Sale Factor	
Jan	0.4170
Feb	0.3333
Mar	0.2500
Apr	0.1667
May	0.0866

Table 2. Month of Sale Factor	
Jun	1.0000
Jul	0.9167
Aug	0.8333
Sep	0.7500
Oct	0.6670
Nov	0.5830
Dec	0.5000

The information on this page is an estimate only. The purpose of this “ESTIMATOR” is to assist the taxpayer in planning for his/her supplemental taxes. The estimated supplemental tax shown herein is not a substitute for the supplemental bill and may not be relied upon as such. This “ESTIMATOR” requires the buyer’s projection of the Purchase Price as well as Month in which the transaction is completed. No potential exemptions are reflected in these determinations. FANHD shall not be responsible or liable for any losses, liabilities or damages resulting from use of this Supplemental Tax Estimator or the Property Tax Estimator.

General Information about Your Property Tax Bill

California's secured property tax bills consist of two types of charges: 1) ad valorem taxes and 2) special assessments. These are explained briefly below.

1) Ad Valorem Taxes

Ad valorem taxes are based on the value of property. The basic ad valorem tax is the statewide tax authorized by California law. This general tax is 1% of the assessed value of the property each year. This tax is shared by the state, schools, cities and counties. In addition, voters can approve local additional ad valorem overrides that put the ad valorem tax rate over 1%. These overrides normally involve general obligation bond debt. These general obligation bonds do not place a special lien on any one property but simply increase the ad valorem tax rate slightly over 1%.

2) Special Assessments

Anything that is not an ad valorem tax is called a "special assessment" or a "direct assessment." These charges are local in nature and are used to fund local improvements or public services that provide some type of general or direct benefit to the property. Special assessments are not tax rates and by law cannot be based on the value of property. Instead, each special assessment district has some type of benefit formula that is used to calculate the amount of the assessment on each parcel. Special assessments can be levied using a variety of laws, including the Mello-Roos Community Facilities Act of 1982; various assessment district bond acts such as the 1915 Act or 1911 Act; or through a variety of non-bonded charges such as the 1972 Act Landscape and Lighting Act, the 1982 Benefit Assessment Act, user fees, service charges and other methods. Some commonly used types of special assessments are:

- a) **Mello-Roos Community Facilities Districts.** This is a type of special assessment financing frequently used to fund infrastructure, schools and many types of public services such as police, fire, landscaping, etc. A Mello-Roos district may or may not involve a bond sale. Mello-Roos districts place a senior lien on the property that has a provision for accelerated foreclosure action by the levying agency if property taxes are not paid on time. Because of this, California law now requires disclosure of Mello-Roos taxes in real estate transactions.
- b) **1915 Bond Act Assessment Districts.** This is another type of special assessment financing method frequently used to fund infrastructure and other public improvements in California. The 1915 Act is a bond act only, meaning another assessment district formation act must be used to form the boundaries of the district before 1915 Act bonds may be sold. These formation districts are usually one of these: the 1913 Act, the 1911 Act or the 1972 Act. Issuance of 1915 Act bonds places a senior lien on the property that has a provision for accelerated foreclosure action by the bond issuer if property taxes are not paid on time. Because of this, California law now requires disclosure of assessments securing 1915 Act bonds in real estate transactions.
- c) **Other Bonded Districts.** In addition to Mello-Roos and the 1915 Act, there are other types of land-secured bonds that may impact California property. These include improvement bonds issued under the 1911 Act or other improvement bonds issued under county or charter city laws. Some of these do include the power of accelerated foreclosure; the Alliant tax report will include such items on the "Summary of Items Subject to Accelerated Foreclosure" page.
- d) **Maintenance Districts.** In most newer communities in California, the cost of maintaining common areas, landscaping, street lighting, storm drains and parks is often handled through Landscape and Lighting Maintenance Assessment Districts. These may be formed under the 1972 Landscaping and Lighting Act or other legislation; these are approved annually through a public hearing process. They may have a cost-of-living increase or other formula but must be renewed every year. These districts are often referred to as "cost recovery districts" since they provide a means for government to provide a specific service and have the cost recovered through assessing those properties that benefit from the services.
- e) **User Fees and Service Charges.** Many municipalities charge user fees for services to the property such as water and sewer. Instead of billing the property owner directly for monthly or quarterly fees, the service charge is collected annually on the property tax bill.
- f) **Standby or Availability Charges.** Local agencies that provide water and sewer services are also authorized to levy Standby or Availability Charges. These annual assessments are charged to help fund the future availability of services to the area or the expansion of services to meet future growth.
- g) **County Service Areas, Community Services Districts and Permanent Road Divisions.** In unincorporated areas of a county, the county may provide services to specific areas through the formation of a County Service Areas ("CSA") or a Community Services District. Then, a specific community may receive enhanced services such as road maintenance, landscaping, street lighting and park maintenance, and repay the county (or itself, if a Community Services District) through special service charges or assessments. Permanent Road Divisions are a similar type of entity formed by a county to provide road improvement and maintenance in unincorporated areas.
- h) **Benefit Assessments and Parcel Taxes.** School Districts and other local agencies commonly levy voter-approved annual special parcel taxes or benefit assessments. These are annual charges that pay for specific service. Commonly used benefit assessments and parcel taxes are those to pay for schools, fire protection, flood control and storm water maintenance or police services.
- i) **Penalties.** Local agencies have the ability to place delinquent account charges for property related services or civil penalties directly on the tax bill. These may include delinquent utility bills, fees for parcel cleanup and weed abatement and fees for civil penalties.