

ENGINEER'S REPORT

for

SANTA PAULA GEOLOGIC HAZARD ABATEMENT DISTRICT
SANTA PAULA, CALIFORNIA

March 31, 2008

Revised May 1, 2008

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ENGINEER'S REPORT

GEOLOGIC HAZARD ABATEMENT DISTRICT-SANTA PAULA
(Pursuant to the Public Resources Code of the State of California, Section 26500 et seq.)

CERTIFICATION OF FILING

This report is presented at the direction of the GHAD Board of Directors. The GHAD is intended to provide monitoring and maintenance of improvements related to geologic hazard management within the Santa Paula GHAD and to levy and collect assessments in order to perform its activities.

The improvements, which are the subject of this report, are defined as any activity necessary or incidental to the prevention, mitigation, abatement, or control of a geologic hazard, construction, maintenance, repair, or operation of improvement; or the issuance and servicing of bonds issued to finance any of the foregoing (Section 26505).

This report consists of seven parts, as follows:

- I. INTRODUCTION
- II. BACKGROUND
- III. GEOLOGIC HAZARD ABATEMENT DISTRICT DIAGRAM
- IV. SERVICE LEVELS
- V. DESCRIPTION OF GHAD MAINTAINED IMPROVEMENTS
- VI. ASSESSMENT METHOD
- VII. ASSESSMENT LIMIT - BUDGET PROJECTION

The undersigned respectfully submits the enclosed Engineer's Report.

Date: May 1, 2008 By: ENGEO Incorporated

Uri Eliahu, GE



I HEREBY CERTIFY that the enclosed Engineer's Report was filed on the _____ day of _____.

Clerk of the Board
Santa Paula Geologic Hazard Abatement District
Santa Paula, California

I HEREBY CERTIFY that the enclosed Engineer's Report was approved and confirmed by the GHAD Board on the _____ day of _____.

President of the Board
Santa Paula Geologic Hazard Abatement District
Santa Paula, California

APPROVED _____

ENGINEER'S REPORT

for

SANTA PAULA GEOLOGIC HAZARD ABATEMENT DISTRICT

for the

ESTABLISHMENT OF AN ASSESSMENT LIMIT

I. INTRODUCTION

The Santa Paula Geologic Hazard Abatement District (GHAD) was formed under the authority of the California Public Resources Code, Division 17, Section 26500 et seq.

II. BACKGROUND

A Plan of Control has been prepared and submitted to allow the District to permanently monitor and maintain GHAD improvements. The establishment of an assessment level to fund the GHAD responsibilities is described in this Engineer's Report.

III. GEOLOGIC HAZARD ABATEMENT DISTRICT BOUNDARIES

The boundaries and legal description for the GHAD are attached hereto as Exhibits A and B.

IV. SERVICE LEVELS

The GHAD's activities are those that are necessary or incidental to the prevention, mitigation, abatement, or control of geologic hazards including construction, maintenance, repair, or operation of any improvement; and the issuance and servicing of bonds issued to finance any of the foregoing.

The GHAD provides for the administration and review of facilities within the budgeted limits, including the following services:

1. Oversight of GHAD operations.
2. In conjunction with the County Assessor's Office, setting the annual levying of assessments on the property tax rolls.

3. Engagement of technical professionals to perform the monitoring duties as described in the GHAD Plan of Control.
4. Performance of GHAD maintenance activities in accordance with the GHAD Plan of Control. These maintenance activities include, but are not limited to the following:
 - Trail maintenance.
 - Inspection and maintenance of CDS water quality treatment unit and underground detention system.
 - Inspection and maintenance of concrete-lined drainage ditches in open space area.
 - Subdrains.
 - Storm drain inlets, outfalls and pipelines within the open space area.
 - Slopes.
 - Vegetation control within the open space.
 - Maintenance of retaining walls and GEOBRUGG screen walls.
 - Splash walls.
5. The GHAD will also have maintenance, monitoring and repair responsibilities for slopes, which will include natural, reconstructed or partially reconstructed slopes.
6. Preparation of annual GHAD budgets.

V. DESCRIPTION OF THE IMPROVEMENTS TO BE MAINTAINED BY THE GHAD

The GHAD-maintained improvements are described in the Santa Paula Plan of Control dated March 10, 2008. In general, these improvements include water detention and water quality facilities; drainage systems, including concrete v-ditches in open space and on the hillsides; open space storm drain inlets and outlets; subdrains; reconstructed slopes within the open space area; and screen walls.

VI. ASSESSMENT METHOD

The GHAD-maintained improvements described in Section V are distributed within the GHAD boundaries. Maintenance and protection of these improvements provide a special benefit to all residential or commercial property owners within the Santa Paula GHAD. There is no benefit for properties outside of the district. The Engineer hereby finds that these properties within the GHAD receive approximately equal special benefit from the work and improvements within the GHAD. As a result, the GHAD assessment is distributed among all owners of parcels which are built with habitable space.

Single-family residential lots will be assessed as one unit. The total number of residential units is then divided into the annual District budget to develop the annual assessment amount.

A financial analysis was performed to provide a framework for an operating budget for the on-going abatement, mitigation, prevention and control of geologic hazards within the GHAD boundaries. In preparation of the budget, several factors were considered including:

- Site Geology
- Proposed Remedial Grading
- Proximity of Geologic Hazards to Proposed Residences, Improvements or Structures
- Site Access Considerations
- Elements Requiring Routine Maintenance, including:
 1. Graded Slopes
 2. Surface Drainage Facilities
 3. Subsurface Drainage Facilities
 4. Detention and Water Quality Facilities
 5. Trails, Vegetation Control, and Screen Walls

VII. ASSESSMENT LIMIT - BUDGET

Based on the estimated expenses for on-going operations, the allowance for a larger (approximately \$250,000) geologic event at 10-year intervals, and repayment of \$345,000 (2008 Dollars) to Comstock Homes for the installation of the GEOBRUGG system described in the Plan of Control (Revised Draft dated May 1, 2008) in 10 annual payments at an interest rate of 8%, a budget was prepared for the purpose of estimating initial assessment levels (Exhibit C). In order to establish a reasonable reserve in the early years of the Santa Paula GHAD, there will be an initial deferral of GHAD expenses, as described in the Plan of Control.

The Engineer recommends an annual assessment limit of \$1,414 per residential unit (Fiscal Year 2008 dollars). The proposed initial assessment level will be adjusted annually to reflect the percentage change in the Los Angeles metropolitan area Consumers Price Index (CPI) for All Urban Consumers. The assessment limit will be adjusted annually using an initial date of April 2008 for the CPI. Each subsequent annual adjustment will be calculated using the 12-month period from April to April. The residential assessments shall be triggered by the issuance of Certificates of Occupancy for parcels built with habitable space.

EXHIBIT A

LEGAL DESCRIPTION

7290.200.101
March 31, 2008
Revised May 1, 2008

LEGAL DESCRIPTION

Real property in the City of Santa Paula, County of Ventura, State of California, described as follows:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL A OF LOT LINE ADJUSTMENT NO. 2005-CDP-02 RECORDED JUNE 9, 2005 AS INSTRUMENT NO. 20050609-0140849 OF OFFICIAL RECORDS BEING A PORTION OF AN UNNUMBERED LOT LYING NORTHERLY OF LOTS 23, 24, 25 AND 26 OF THE RANCHO SANTA ANA PAULA Y SATTICOY IN THE CITY OF SANTA PAULA, COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK "A", PAGE 290 OF MISCELLANEOUS RECORDS (TRANSCRIBED RECORDS FROM SANTA BARBARA COUNTY), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE OIL, MINERALS, AND OTHER RIGHTS GRANTED TO EDWARD W. HASKELL BY DEED DATED DECEMBER 24, 1864, RECORDED IN BOOK "B", PAGE 153 OF DEEDS, OTHER THAN 50/100THS INTEREST IN AND TO ALL OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS IN OR UPON OR THAT MAY BE PRODUCED FROM SAID LAND AS GRANTED TO THE MCKEVETT CORPORATION IN DEEDS RECORDED JANUARY 12, 1942 IN BOOK 652, PAGE 127 AND RECORDED APRIL 12, 1960, IN BOOK 1854, PAGE 465 BOTH OF OFFICIAL RECORDS.

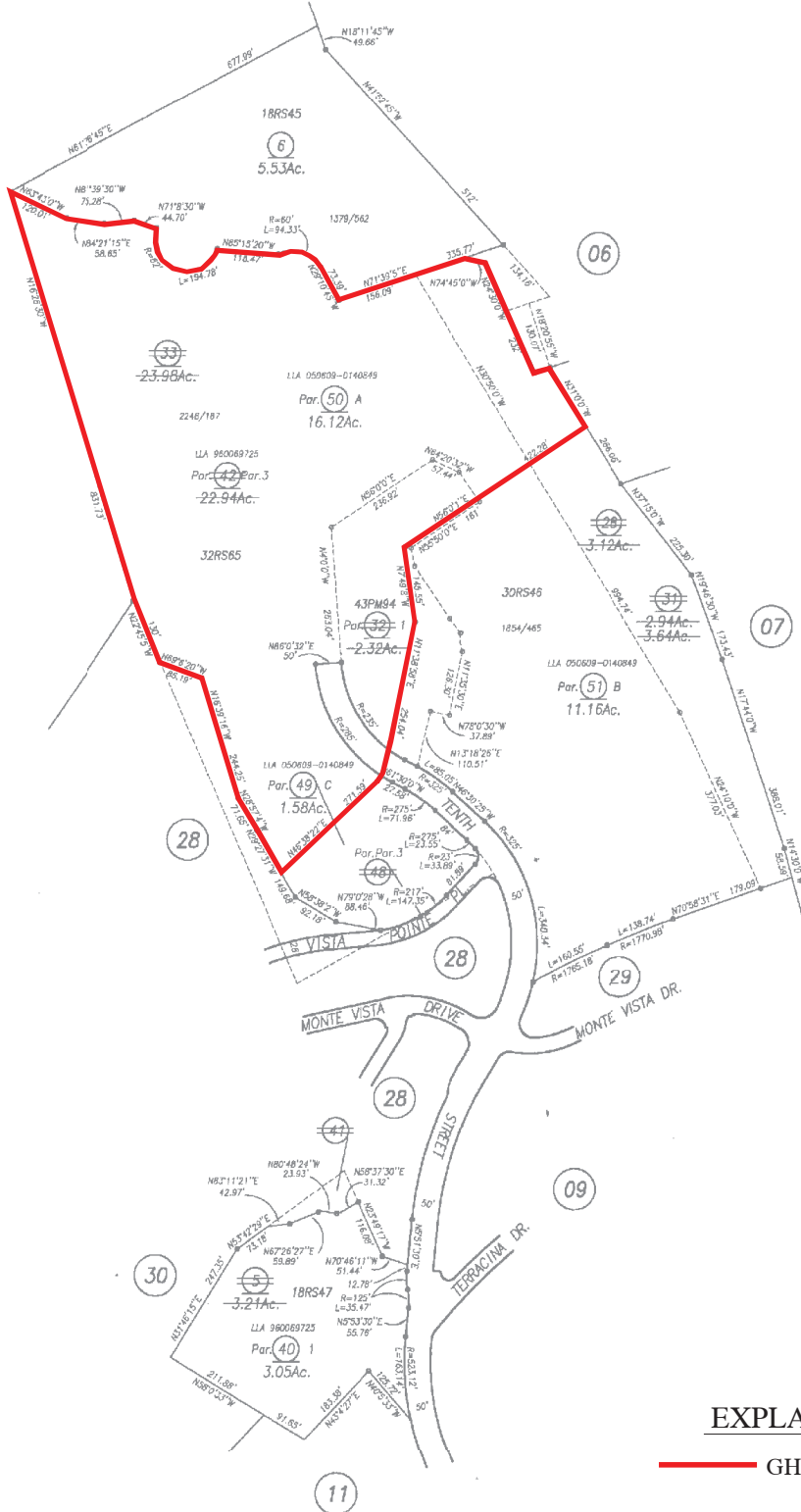
APN: 100-0-010-315 and 100-0-010-325 and 100-0-010-425 and 100-0-010-485

EXHIBIT B

GHAD BOUNDARY

7290.200.101
March 31, 2008
Revised May 1, 2008

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EXPLANATION

————— GHAD BOUNDARY

BASE MAP SOURCE: LAND AMERICA LAWYERS TITLE



GHAD BOUNDARY
 RIDGEVIEW AT VISTA GLEN
 SANTA PAULA, CALIFORNIA

| | |
|----------------------------------|-----------------------|
| PROJECT NO.: 7290.200.101 | FIGURE NO |
| DATE: MAY 2008 | 1 |
| DRAWN BY: DLB | CHECKED BY: JA |

EXHIBIT C

SANTA PAULA GHAD BUDGET

7290.200.101
March 31, 2008
Revised May 1, 2008

EXHIBIT C
Santa Paula Geologic Hazard Abatement District
Budget – April 10, 2008

ASSUMPTIONS

| | |
|--|-----------|
| Total No. of Single Family Residential Units | 75 |
| Annual Assessment per Unit (current \$) | \$1,414 |
| Annual Adjustment in Assessment (estimated) | 3.0% |
| Inflation (estimated) | 3.0% |
| Investment Earnings (estimated) | 6.0% |
| Frequency of Large-Scale Repair (years) | 10 |
| Cost of Large-Scale Repair (current \$) | \$250,000 |

ESTIMATED ANNUAL EXPENSES IN 2008 DOLLARS

| | |
|-----------------------------------|-------------------------|
| Administration and Accounting | \$4,000 |
| Technical Consultants | \$9,500 |
| Erosion Repair | \$5,000 |
| Debt Repayment * | \$51,415 |
| Geotechnical Monitoring Program | \$7,500 |
| Revegetation | \$4,000 |
| Detention Basin Maintenance | \$2,500 |
| CDS Unit/Subdrain Maintenance | \$2,500 |
| Slope Stabilization | \$5,000 |
| Subdrain Outfall Maintenance | \$2,500 |
| Major Repair (Annualized) | \$25,000 |
| Miscellaneous & Contingency (10%) | \$6,750 |
| TOTAL | <u>\$125,665</u> |

*This item represents repayment of \$345,000 (2008 Dollars) to Comstock Homes for the installation of the GEOBRUGG system described in the Plan of Control (Revised Draft dated May 1, 2008). The repayment amount represents 10 annual payments at an interest rate of 8%.