

**Exhibit Sixth to  
Residential Lot Lease**

**DISCLOSURE**

**Important Property Tax Information**

**PLEASE READ CAREFULLY**

This disclosure notice is given to you in connection with your purchase of a home within the West Campus Point Planned Unit Development.

**TAXABILITY OF POSSESSORY LEASEHOLD INTEREST IN LAND**

The California Supreme Court issued a ruling in February, 1992 that the possessory leasehold interest in the land held by each homeowner in a University for-sale housing development is subject to property taxes. The assessment for this leasehold interest is made in addition to the assessment for the "improvements" (i.e., the housing unit itself).

**PROPERTY TAX ASSESSMENTS**

The county tax assessor determines a "valuation" for your home, which is comprised of an assessment for the value of the structure representing your housing unit, as well as an assessment of value for your leasehold interest in the land upon which your housing unit rests. The property tax rates are then applied to this overall valuation to arrive at the annual property tax amount for your property.

The county tax assessor's determination of the overall valuation for your home may exceed the purchase price of the home plus any rents attributed to the leasehold interest. There is no way to estimate the "valuation" for your home, nor your property tax amount, until the county tax assessor makes the determination of value.

**YOUR OBLIGATION UNDER THE GROUND LEASE**

The ground lease that you sign obligates you to pay any and all property taxes that are lawfully imposed. Any disagreement that you may have as to the valuation of your home or your property tax amount can only be pursued with the county tax assessor's office, and does not release you from your obligation under the ground lease to pay the property tax amount.

**I/We hereby acknowledge receipt of this disclosure.**

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Buyer Signature                      Date

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Buyer Signature                      Date